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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An Ω indicates a Foreign Media Note.

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World Leaders Support Salinas WTO Bid

PA2709161094 Mexico City XEW Television Network in Spanish 0430 GMT 27 Sep 94

[From the "24 Hours" newscast]

[Text] Mexican President Carlos Salinas de Gortari, during his trip to New York, held several meetings with dignitaries as well as with representatives from international organizations and the private sector.

President Salinas kicked off his activities in New York on Sunday afternoon. He attended a private luncheon hosted by the New York Metropolitan Museum, the Council of the Americas, and the Mexican Cultural Institute of New York.

On Monday morning, President Salinas breakfasted with Mr. Henry Kissinger, former U.S. secretary of state, and with U.S. journalists, including WASHINGTON POST publisher Katherine Graham. Later, Salinas held separate meetings with UN Secretary General Butrus Butrus-Ghali and Israeli Foreign Minister Shim'on Peres at the United Nations. The Israeli foreign minister invited President Salinas to visit Israel and supported his candidacy for president of the World Trade Organization [WTO].

[Begin Peres recording in English] We back him 100 percent as candidate for WTO president. It is a decision already made by our government, and we have made it out of great respect for the president and the (?achievements) of his country. [end recording]

President Salinas also met with Nicaraguan President Violeta Chamorro, with whom he spoke about progress in negotiations to sign a Free Trade Agreement in late October. Mrs. Chamorro says she fully supports the Mexican president's WTO candidacy.

[Begin Chamorro recording] Complete support. [end recording]

Salinas also met with Uruguayan President Luis Alberto Lacalle, who also reiterated his support for Salinas' WTO candidacy. Later, Salinas attended a luncheon hosted by UN Secretary General Butrus Butrus-Ghali in honor of the heads of state participating at the UN General Assembly.

Salinas also met with Costa Rican President Jose Maria Figueres. They spoke about the implementation of the Free Trade Agreement between Mexico and Costa Rica, which was recently signed. He met with Mr. Cesar Gaviria, who is the new secretary general of the OAS.

Later, he met with Romanian President Ion Iliescu, as well as with (Donyu Yen Hu) from the Electoral Assistance Unit of the United Nations, who expressed his satisfaction over the recent elections held in Mexico.

Salinas also was received by Mr. John Reid, president of Citibank and Citicorp, at a Citicorp-sponsored dinner for international banking representatives. Salinas held a news conference earlier in the evening, and now he is flying back to Mexico City where he is expected to arrive sometime after midnight.

Delors: EU Willing To Enhance Ties With Mercosur

PY2709131294 Madrid EFE in Spanish 2210 GMT 24 Sep 94

[Text] Montevideo, 24 Sep (EFE)—European Commission President Jacques Delors paid an official visit to Uruguay today. He underlined the willingness of the EU to enhance its relations with the Common Market of the South (Mercosur).

He said the achievement of "a political and an economic agreement" between the two blocs would represent a step forward.

Delors asked the four Mercosur countries (Argentina, Brazil, Paraguay, and Uruguay) to institute a structure that will allow them "to speak with on voice" when negotiating with other regional blocs.

He said a possible economic agreement between the EU and Mercosur should include three basic points: increased exchanges in a gradual free trade zone, cooperation, and technical assistance.

During his seven-hour visit to Montevideo, Delors lunched with Uruguayan President Luis Alberto Lacalle, and visited the Mercosur administrative secretariat and the European Commission's office.

Before leaving for Chile, where he will participate in a UNESCO meeting and meet with Chilean President Eduardo Frei, the EC president told journalists that he has not had time to consider the possibility of succeeding Francois Mitterrand as French president. He said: "There are only 24 hours in any day."

The EU executive board's chairman will, after nine years, leave his post on 31 December. He emphasized that for the next three months he will be deeply involved in drafting ways to make European economies more competitive and more creative.

Concerning foreign policy, Delors said his basic task is to enhance the EU's position internationally and to enhance ties with eastern Europe, the Mediterranean basin, and Latin America.

Delors said: "There is the danger of establishing exclusive regional blocs that could cause growing conflicts and might promote politico-economic crises."

Nevertheless, Delors believes in a more optimistic possibility of "an increasingly interdependent world, a true planetary village."

He said: "We have to advance toward a sort of world order which, to a certain extent, was prefigured by the Rio de Janeiro 'summit' on the environmental issue."

Delors added: "Nevertheless, there is an intermediate stage, involving the establishment of political and economic regional blocs that will guarantee—each in its own way—principles like human rights, democracy and respect for exchange, cooperation, and, above all, mutual understanding among nations."

[Buenos Aires TELAM in Spanish at 1513 GMT on 25 September in a Montevideo-datelined report adds: "Uruguayan Foreign Minister Sergio Abreu said today that EU President Jacques Delors' remarks in Montevideo yesterday represent a clear political message to pursue relations between Mercosur and the EU. The Uruguayan foreign minister said: 'His visit to the Mercosur administrative secretariat yesterday confirms the EU's political willingness to strengthen and enhance the proposed trade relations.' He added: 'We fully agree with Delors over the relationship between our two regions.' Abreu said: 'We must substantiate it and work maturely, seriously, and assuredly to develop a rapprochement process that we hope will be positive.' Abreu believes the most significant part of Delors' message 'concerned the need for Mercosur economies and institutions to speak with one voice, allowing a fluid and smooth relationship with the various trade blocs.' Abreu said: 'We receive this as a clear expression that Mercosur must define its institutional structure before the end of the year and thus enhance the levels of interlocution with the EU.' Abreu emphasized: 'Negotiations are never easy, but meeting challenges and accepting political willingness is important.'"]

Mercosur Aims at Intellectual Property Rights

PY2809035194 Sao Paulo GAZETA MERCANTIL in Portuguese 26 Sep 94 p 12

[Article by Maria Helena Tachinardi]

[Text] The Mercosur [Common Market of the South] countries—Brazil, Argentina, Uruguay, and Paraguay—have decided to sign an international agreement to regulate intellectual property rights (trademarks, patents, copyright). Before this, however, the four countries will have to harmonize their laws. The Intellectual Property Rights Commission of Mercosur will address the matter between 26 and 29 September in Montevideo.

The Brazilian commission is made up of representatives of the Ministries of Foreign Affairs, Science and Technology, Culture, and Industry, Commerce and Tourism, through the INPI [National Institute of Industrial Property]. Brazil advocates an international agreement on essential topics instead of a comprehensive treaty. The idea is to avoid distortion and problems for the circulation of merchandise, a government source has explained.

As an example, the source mentioned the right to exclusive exploitation, which can prevent the manufacturing of a product in one of the four countries, especially if it is a famous brand with a local license. If each country has exclusive rights to exploit a specific trademark, this will prevent a policy of expansion of investment within Mercosur. At the meeting in Montevideo the four partners will debate the possibility of drawing up an agreement on trademarks that are common. Pirate brands constitute another problem about which Mercosur is concerned. A classical example is Brazil's Ortope shoe brand, which has been copied in neighboring countries. Brazilian enterprises are also involved in trademark piracy. In Paraguay, the Mappin registered trademark has the same graphical design as the Sao Paulo department store.

Brazil and Argentina are the most advanced countries in connection with intellectual property rights. Both are studying laws in their congresses with rules that are compatible with an intellectual property rights agreement that was recently approved in the Uruguay round of the GATT talks. A group of Brazilian specialists made a proposal for preparing a working document, which should be ready in November, for negotiation with the other countries. The international agreement or treaty will not be ready before the implementation of Mercosur on 1 January 1995, government sources have said.

Mercosur has received subsidies from the World Intellectual Property Rights Organization (OMPI) and from European Union (EU), which has an international agreement regulating marks and patents.

Patents/Senate

The bill regulating industrial property rights is at a stalemate in the Senate, and will remain in this condition until the beginning of 1995, because rapporteur Antonio Mariz (PMDB) [Brazilian Democratic Movement Party] for the Constitution and Justice Commission is running for governor in Paraiba, with good chances for success. In turn, Jose Richa, rapporteur for the Economic Affairs Commission, is ending his term. The Senate will again have to elect new rapporteurs. Furthermore, there are other matters that are considered more urgent than industrial property rights, like tax reform, the reform of the Social Security system, and monopolies. According to government sources, not even high-level contacts, such as those by Foreign Minister Celso Amorim and Science and Technology Minister Jose Israel Vargas, could convince senators to approve the bill.

Cuba

Robaina on UN Agenda, Contacts in U.S.

PA2709133494 Havana Radio Havana Cuba in Spanish 0100 GMT 27 Sep 94

[Report by Barbara Betancourt on "impromptu news conference" by Foreign Minister Roberto Robaina Gonzalez with foreign and domestic reporters at Havana International Airport on 26 September; from the "Evening Information Review" newscast—recorded]

[Text] [Betancourt] Mr. Minister, what agenda do you plan to follow at the UN session in New York?

[Robaina] Well, the agenda has the same features as on previous occasions. The agenda is designed to take the nation's voice to a forum as significant as the 49th UN General Assembly. At the same time, it is designed to clearly state Cuba's position on a number of issues. For example, we want to voice our beliefs on the so-called democratization process everyone is talking about—a process we believe is still far from being a genuine democratization process. I believe Cuba cannot let the this opportunity pass without firmly indicating what we believe with respect to what continues to be our foreign policy priority, which is to condemn the unjust and criminal blockade against Cuba. An agenda such as this cannot ignore the advancement of bilateral relations, which is simply a continuation of what we have already accomplished. We plan to actively further our association with representatives of U.S. society who have had ties with us for some time now.

[Betancourt] As you did last year?

[Robaina] [Words indistinct]

[Unidentified reporter] [Words indistinct] that the Cuban Government would be open to moderate opposition. How and when might this take place?

[Robaina] Well, I believe there are different perceptions on this issue. This is not a problem of simply opening to any opposition whatsoever, whether moderate or immoderate. I simply explained in Madrid that we are currently following a certain path, and that we are following up on something that took place in a meeting in Havana as far back as 1974, and again in 1994 with the Nation and the Emigrants Conference. The only thing we did in Madrid was to give continuity to this conference. In Madrid, we had the opportunity to meet with representatives of the overseas Cuban community. Although we differ ideologically, they still maintain a position of understanding and respect toward the country, and they also condemn the blockade. We did this in Madrid; we did it in Havana; and we will continue to do it elsewhere. I am even scheduled [words indistinct] with representatives of the community. Not the same representatives, because it is not just a series of meetings we [words indistinct] plan to continue, but others who are also part of the community who were in Havana some time ago and would like to continue with contacts.

[Reporter] There has been talk about changes. Does this imply changes at the governmental level?

[Robaina] First of all, the changes we have been implementing in Cuba started some time ago, with the first changes having taken place some 30 odd years ago, and this is something that concerns all Cubans. In short, Cuba can [words indistinct] because we are very interested in listening to different points of view. Nevertheless, I do not believe that just any person from outside the nation can say whatever he wants about what the Cubans should do domestically. I believe this has a lot to do with our history, traditions, circumstances, and, most of all, the pressure we have faced. No other country lives and works under the same pressure as Cuba does.

[Betancourt] You mentioned the sectors of U.S. society you are planning to meet. During your last visit, you also met with various sectors. Has the number of these U.S. sectors grown? Are there any new representatives?

[Robaina] I would say that the same sectors I met during my last visit will also be present this time. It is not necessary for us to establish ties with these sectors, because they already exist. The basic difference between this assembly and our participation in the previous assembly is that we are not going to search for new doors. In my opinion, we have already found many available doors and numerous paths to follow. On this occasion we are going to meet with several people with whom we met one year ago in New York—people who have been supporting Havana. Right now, we can even say there exists a continuity of projects, as well as a continuity of ideas, enthusiasm, and plans.

[Reporter] Does Cuba intend to add new issues to the discussions on the U.S. blockade during these General Assembly sessions?

[Robaina] Regarding the blockade, Cuba has a long story to tell. It has numerous [word indistinct] elements and of course, the world should hear in this forum about the difficult and cruel impact the blockade has had on Cuba. I believe that today Cuba has many things in its favor: We are moving to a point where more nations are supporting us on the resolutions that have been presented.

Regarding bilateral work in particular, the countries are talking about a condemnation [of the blockade], and I believe we are heading toward a situation in which North Americans are taking a very firm position against the blockade.

[Reporter] Do you believe that this UN conference is providing an important opportunity to strengthen Latin American integration?

[Robaina] I believe that any forum for concerted action always provides important opportunities, and this forum certainly will. I have said that we are far from satisfied with what people require from the United Nations. In fact, I believe the United Nations is still an instrument, becomes an instrument, for operations that to us are highly censurable; for example, I believe that in this very same forum we must firmly state that nothing justifies the invasion of Haiti. There might be debate about whether or not it is a military invasion, but it is an invasion nevertheless, and even though no blood has yet been shed, the possibility still exists.

Consequently, right there on that podium we must voice our condemnation. We are not satisfied with nor can approve of this operation, even though it was done under the mantle of the United Nations. In my opinion, this mantle can be manipulated, and the United Nations can become the victim of operations that today go under another name.

Cuba cannot accept that war is called by a more civilized term. At this forum, Cuba will condemn the fact that today war is being called humanitarian intervention, preventive diplomacy, or operations to maintain peace. We do not believe, as we said a long time ago, that democracy can be restored in that manner. It is up to the people to do this. We also do not believe that food can be taken anywhere on top of a cannon, as was done in Somalia. [Reporter] Did you make any progress on your UN agenda, I mean, the collateral agenda?

[Robaina] It is a very tense and complex agenda, just as the country's life is tense and complex, I think. One cannot have a scenario like that one, where it is necessary to talk about Cuba and to explain the Cuba's truth, if one does not have a sufficiently broad program. I am sure that all economic, social, religious, and intellectual segments, and bilateral viewpoints have been excluded. They all will hear about this, beginning with tomorrow morning's program until the 14th.

[Reporter] How was the agreement [words indistinct] Europe?

[Robaina] Pardon me?

[Reporter] [Words indistinct]

[Robaina] I would say our relations with Europe have taken a new course. We have opened opportunities for exchange that make the presence of a large segment of European businesses felt. Actually, I think we concur on many points and disagree on many others. It is not just that European countries have different views from Cuba, but also that Cuba has different views from Europe; for example, when talking of disagreements, this does not mean disagreements only with Cuba, but also the disagreements Cuba has with others. With Europe and many other countries we prefer to look for points of concurrence.

[Reporter] Minister, there was talk of a (?negotiation) by some U.S. congressmen. In fact, it was said some congressmen (?invited you) to go to U.S. Congress in Washington. Is there any truth to that?

[Robaina] I think this represents an attempt or desire on the part of some U.S. congressmen that has existed for some time, but they have not been able to carry it off, because in this country of freedoms I cannot leave New York. I mean that if they want me to (?discuss) topics of interest with the congressmen, because the restrictions that this country has imposed —and the world must know that I must stay within 25 miles around my hotel—I cannot, therefore, go to New York [as heard]. So, it depends if the congressmen come to New York, or if they decide I am allowed to go. I am certain we will have time to talk to the congressmen no matter how busy my schedule is, because we are very much interested in letting Congress know the truth about Cuba, with all its virtues and defects. Once again, we will say in New York that we are not that [words indistinct] nor the eternal paradise.

Robaina Hopes for Broader Talks With U.S.

PA2709142494 Madrid EFE in Spanish 0730 GMT 27 Sep 94

[Text] New York, 27 Sep (EFE)—Cuban Foreign Minister Roberto Robaina today stressed the importance of continuing talks with the United States, adding that he hopes these talks will be broadened.

In an interview with EFE, the Cuban foreign minister called the agreement with the United States "positive." Talks between Cuba and the United States were held at the beginning of September to find an accord to halt the exodus of "rafters."

Robaina added: "This demonstrates that if there is determination and a willingness to negotiate, no matter how different the various points of view may be, there can be agreement and results."

Regarding the possibility of expanding the scope of the talks, Robaina said, "Cuba maintains that we have not yet touched upon the root of the problem and that the agenda can and must be expanded. For our part, we are not imposing limitations."

The Cuban foreign minister added: "The important thing in any negotiating process is not to question how far one can go, but to start and then not stop."

Nevertheless, when asked about the possible lifting of the U.S. embargo, he stated, "we have no reason to get ahead of ourselves."

The Cuban-U.S. agreement calls for another meeting within 45 days to assess the progress made in meeting the commitments. On this issue, Robaina said, "Cuba has strictly complied with the its part of the accords." He was referring to the steps taken to prevent "rafters" from leaving the island.

Robaina went on to regret that there had been a "certain sluggishness" in U.S. compliance. Specifically, Robaina was speaking of the U.S. commitment to begin issuing 20,000 visas per year. He said Washington is claiming it does not yet have the appropriate facilities in Havana to do this.

The Cuban foreign minister seemed flexible on this issue, saying, "we continue to appreciate the (U.S.) respect for the agreements and willingness to comply, which is the important thing here."

Robaina expressed gratitude to Brazil, Mexico, and Colombia for their support for Cuba at the UN General Assembly session. They defended the need to lift the embargo as a step toward economic and political transitions on the island. Robaina added, however, that the conditions listed by El Salvador for lifting the embargo were "unacceptable." Robaina said the proposals presented by Brazil, Mexico, and Colombia "are consistent with a coherent policy of respect" for Cuba, "which has grown stronger during this most recent and difficult phase."

The Cuban foreign minister arrived in New York to participate in the discussions at the UN General Assembly. He will address the meeting next week.

Along with attending the General Assembly session, Robaina will maintain a tight schedule, which includes meetings with the foreign ministers from 30 countries, U.S. businessmen, and members of the Cuban opposition who recently took part in the Havana Conference.

Foreign Affairs Minister Javier Solana of Spain told the press that his Canadian counterpart, Andre Oullet, had shown interest in Spain's position regarding Cuba. The two met during a luncheon hosted by UN Secretary General Butrus Butrus-Ghali for all of the General Assembly participants. Oullet told Solana about increasing Canadian investment in Cuba.

The Cuban issue is scheduled for discussion this afternoon during a meeting between the European Union and the Rio group. The meeting will take place a UN Headquarters.

Robaina, Delegation Meet Foreign Ministers

FL2809021594 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Sep 94

[Report by correspondent Froilan Arencibia, from New York; from the "National Radio News"]

[Text] Cuba and Senegal signed a general agreement on economic and scientific technology at the United Nations today. Senegalese Foreign Minister Moustapha Niasse and Cuban Foreign Minister Roberto Robaina signed the document. Niasse stressed the importance of the agreement within the framework of much-needed cooperation between underdeveloped nations. This is the first agreement of its kind between Cuba and Senegal in the last 30 years.

Robaina met New York City's Cardinal O'Connell yesterday, during the first day of his trip to New York to attend the UN General Assembly. His excellency sent special greetings to the Cuban people and reiterated his opposition to the U.S. blockade of Cuba. He also urged Americans to become fully aware of the difficulties the blockade causes the Cuban people.

[Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0000 GMT on 28 September report during the regularly scheduled "NTV" newscast that the Cuban delegation to the UN General Assembly had an intense work schedule during the second day of the Assembly. Cuban delegate Alfredo Morales said that reforms are needed to increase the number of Security Council members—currently only 15 of the 180 UN members—and that changes in work methods and activities of the Security Council are also needed. The "chief of Cuban diplomacy" met the Canadian, Chinese, Algerian, and Angolan foreign ministers. The Angolan foreign minister condemned the U.S. blockade of Cuba, which "deprives Cuba of sovereignty and increases hostility and the suffering of the people."]

Further on Bilateral Meetings

PA2809042394 Havana PRENSA LATINA in Spanish 1906 GMT 27 Sep 94

[Text] United Nations, 27 Sep (PL)—Cuban Foreign Minister Roberto Robaina, who is participating in the debates of the 49th UN General Assembly, is also following an agenda full of bilateral activities.

Amid the work of the forum, Robaina met with Chinese Foreign Affairs Minister Qian Qichen and his Algerian colleague, Mohamed Salah Dembri.

Minister Robaina also signed a general economic, scientific, and technical bilateral agreement with Senegalese Foreign Affairs Minister Moustapha Niasse during a simple ceremony held at one of the UN conference rooms.

The two ministers congratulated one another on the agreement and expressed hope for the fruitful development of, among others, the diplomatic and economic ties between Senegal and Cuba.

They also talked about the future exchange of visits by delegations of the two countries.

As part of today's agenda, the Cuban foreign minister met with Tunisian Foreign Affairs Minister Habib Ben Yahia.

Minister Robaina today will receive Channel 13 and will have several appointments at and outside the United Nations, including meetings with over 30 colleagues and heads of state who are attending the UN main debates.

Robaina's speech at the UN General Assembly is scheduled for 3 October.

Fidel Castro Meets With Laotian Foreign Minister

FL2709132794 Havana Radio Progreso Network in Spanish 1100 GMT 27 Sep 94

[Text] Commander in Chief Fidel Castro held a private meeting with Laotian Foreign Minister Somsavat Lengsavat in which they lengthily discussed issues of common interest. During the meeting, which transpired in a fraternal, cordial atmosphere, they discussed issues relating to the development of bilateral ties as well as mutual cooperation in various economic spheres.

Foreign Minister Lengsavat was accompanied by Laotian Ambassador to Cuba Soulivong Phasitthidet. Also present were Foreign Minister Roberto Robaina, and Cuban Ambassador to Laos Ricardo Danza.

Russian, U.S. Officials Discuss October '62 Crisis

FL2809022194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 28 Sep 94

[From the "NTV" newscast]

[Text] Cuban, Russian, and U.S. officials opened a scientific conference on the October 1962 crisis in Moscow today. Diplomats, military personnel, and historians from the three nations are examining new evidence to determine the cause of the conflict. Aleksandr Alekseyev, former Soviet ambassador to Cuba, said during a recess in the conference that one of the lessons [lecciones] of the October crisis was the U.S. failure to isolate Cuba.

Russian Diplomat on Lessons Learned

PA2809025194 Havana PRENSA LATINA in Spanish 1627 GMT 27 Sep 94

[Text] Aleksandr Aleksey today said in Cuba that one of the main lessons learned from the 1962 October Crisis was the failure of the U.S. attempt to isolate Cuba.

During a recess at the conference that opened here today on the tense October 1962 days, the diplomat added that in the early 1960's, as well as today, the problem lies in facilitating the full incorporation of the small Caribbean island into the international community.

In statements given to PRENSA LATINA, the experienced official pointed out that the Cuban leaders were always willing to hold talks with the United States under equal terms and without previous conditions.

He underscored that the lifting of the unfair economic blockade on the Antillean island imposed following the success of the Cuban Revolution in 1959 is one of the issues that Washington must analyze.

As he spoke about the crisis that took place 32 years ago, Aleksey maintained it began after the U.S. administration had repeatedly failed in its attempts to overthrow President Fidel Castro, especially after the defeat of the April 1961 invasion of Playa Giron [Bay of Pigs].

Aleksey recalled that he recently published his thoughts on the so-called missile crisis and admitted to lacking a sound explanation for the decision made by then Soviet leader Nikita Khrushchev to withdraw the missiles from Cuba without consulting with Havana.

Meanwhile, Russian Army General Anatoliy Gribkov stated that the beginning of the relations between Moscow and Havana had a significantly important element.

The Cuban Revolution succeeded in January 1959 without having fired a single Soviet-made bullet, much less having the financial support of the Kremlin, which found a staunch ally in the island, he underscored.

Russian, Cuban, and U.S. diplomats, military officers, and historians are attending the scientific conference on the October Crisis.

CDR's Deliver Information Cards on Rafters

PA2709025794 Mexico City NOTIMEX in Spanish 2308 GMT 24 Sep 94

[Text] Havana, 24 Sep (NOTIMEX)—Committees for the Defense of the Revolution [CDR] have delivered more than 8,000 information cards on Cuba "rafters" to their relatives on the island, a source from the organization reported today.

A high-ranking committee member said: "The CDR, in coordination with the Interior Ministry, is keeping the relatives of Cuban emigrants in U.S. camps informed of their whereabouts."

Jesus Bonome Borges, CDR secretary of surveillance, said "this task is a humanitarian one that has been amiably undertaken by the leaders of our organization," the one with the largest membership on the island.

The CDR were created 34 years ago as "a revolutionary collective surveillance system that functions at the neighborhood level in the country's largest cities."

As a result of the largest wave of migration over the past 14 years and after having been rescued on the high seas by the U.S. Coast Guard, approximately 23,000 Cuban refugees are installed in the U.S. naval base at Guantanamo, in the island's southeast.

After the United States revoked the automatic privilege of asylum for illegal Cuban immigrants, groups of them have been confined in detention centers on Krome Avenue, Miami, or have been sent to U.S. bases in the Panama Canal Zone.

Cuba and the United States signed an immigration agreement on 9 September in New York under which

Washington committed itself to granting at least 20,000 visas to Cuban emigrants annually, while Havana agreed to halt illegal departures from the island.

The Cuban exodus to the United States was intensified in August when Cuba opened its borders and a mass of emigrants without travel documents took to sea on makeshift rafts or small wooden boats.

Bonome said: "Every time we approach them (the relatives) with a yellow location card, they receive us with gratitude, sometimes in tears, because 95 percent of them had no idea of the whereabouts of those who emigrated using their own means of transportation."

In statements to state radio, Bonome said this work will continue day and night as long as the Interior Ministry supplies the data reported by U.S. newspapers (such as the NEW HERALD) and other sources.

Minrex Interview Examines 1984 Immigration Accord

FL2709130094 Havana Radio Progreso Network in Spanish 1100 GMT 26 Sep 94

[Interview with Carlos Fernandez de Cosio, North America director of the MINREX, by Jose Mayo; from the "First Thing" program—recorded]

[Text] [Mayo] Cuba and the United States signed an immigration agreement at the beginning of September 1994 by which both parties would implement measures to make Cuban emigration to the United States safe, legal, and organized. This document ended the so-called rafters crisis. During the crisis, thousands of Cubans wishing to emigrate to the United states—for economic reasons and because of reinforcement of the U.S. blockade in the last two years—took to the sea in frail rafts to cross the Florida Straits, where they were intercepted by U.S. Coast Guard ships and transported to concentration camps at the Guantanamo Naval Base. This difficult situation was created by the anti-Cuban policy of the United States, which for three decades has tried to exploit the immigration situation to destabilize Cuba.

We will have a series of interviews about U.S. immigration policy toward Cuba from 1959-1994, with the North American director of the Cuban Foreign Ministry, Carlos Fernandez de Cosio, who was also a member of the Cuban delegation to the recent talks with U.S. representatives in New York. The first interview covers the main topics of the 1984 immigration agreement between the United States and Cuba. But first, it is necessary to look at why the United States was pressed to sign this document.

[Cosio] The 1984 agreement was signed four years after the so- called Mariel exodus when over 120,000 Cuban immigrants arrived in the United States illegally, the result of the United States' so- called open-arms policy toward all Cubans.

But we need to go back even further. There were two main reasons for this large flux, which had similarities to what has just happened this summer, due to the United States' refusal, before 1980, to issue visas to Cuban citizens through official channels. Only a few visas were issued, creating an accumulation of applications from people who wanted to travel. The policy of encouraging the legal or illegal departure of Cubans has lasted 35 years, having begun the first week of 1959 with the victory of the Revolution, as part of an aggression-destabilization plan dating back to that time.

The United States was motivated to sign the 1984 agreement to find a solution to the cases of people they wanted to return to Cuba. Yet, the United States has rejected the return of people with more serious criminal or antisocial records, compared to cases in the Mariel boatlift, such as the torturers, embezzlers, and murderers of the Batista dictatorship, who were welcomed to the United States. The United States has additionally accepted the presence of henchmen, CIA agents who have assassinated people such as Orlando Bosch, and other characters who are part of the U.S. Mafia in Florida, and who are criminals with more serious records than any of those in the Mariel boatlift.

The United States wanted Cuba to accept the repatriation of a group of excludables. This motivated them to sign the 1984 agreement. In addition, it was in the spirit of the United States to normalize immigration relations, and Cuba has always had the inclination toward a normal, legal, organized, safe immigration policy. This led Cuba and the United States to the agreement of 1984 and to the negotiating table.

[Mayo] What does the agreement call for?

[Cosio] Basically, Cuba wanted to normalize immigration relations, which required that the United States issue a considerable number of visas, matching the number of applications by Cubans wishing to travel to the United States for reasons of family reunification, for economic motives common to Third World countries, for psychological reasons, or for various other reasons that made people no longer interested in living in Cuba. To that end, Cuba was trying to avoid illegal, unsafe, or disorganized means of travel, such as hijackings, the rafts, the unsafe boats, the illegal deflection of planes and boats to the United States.

The spirit of the talks consisted in achieving normal, legal, and organized immigration procedures, as the first paragraph of the 1984 agreement states. In practice, the United States promised to issue up to 20,000 visas a year and to assure normal immigration flux. In addition, the agreement called for the emigration of 3,000 Cubans related to people who have served prison terms because of political problems, such as involvement in counter-revolutionary activities, sabotage, etc.

The 1984 agreement called for Cuba to accept 2,746 people considered excludables by the United States. This was not an abstract number—there was a list with the names of people to be repatriated, with which Cuba needed to comply. Cuba tried to include the the hijacking of boats and other illegal departures in this agreement. However, the United States did not want to broach those problems in 1984. What was written into the document then were the high-priority conditions.

[Mayo] How did public opinion respond to the immigration agreement of 1984?

[Cosio] The talks that ended with the agreement of 1984 did not have the press coverage of these recent negotiations in September. It is therefore hard to measure public opinion, when most people probably were not even aware of the signing of the agreement. Additionally, the immigration topic was not very important to many people in the United States at that time. However, the impact of the massive arrival in the short term of the Mariel boatlift was important. In some parts of the United States, this was a cause for concern, and the signing of the agreement was well received by the people and by U.S. authorities.

[Mayo] Tomorrow we will broadcast another interview with Cosio on First Thing. The topic will be: Causes and Consequences of the United States' Noncompliance With the 1984 Agreement.

ANPP Commissions Examine Citizenship Law

PA2609043594 Havana Radio Havana Cuba in Spanish 0100 GMT 24 Sep 94

[Interview with Ramon de la Cruz Ochoa, president of the Standing Commission on Constitutional and Judicial Affairs of the National Assembly of the People's Government, by Barbara Betancourt; place and date not given—recorded]

[Text] [Betancourt] Deputy de la Cruz, I understand there is a draft reform ready for the citizenship law?

[De la Cruz] Yes, there is draft ready for discussion in a joint session of the Standing Commission on Constitutional and Judicial Affairs and the Foreign Affairs Commission of the National Assembly of the People's Government [ANPP] on 29 September.

[Betancourt] What are the main aspects of the law?

[De la Cruz] This is a citizenship law that, like other such laws, governs that which has to do with acquisition, loss, and recovery of citizenship, who has the right to Cuban citizenship by birth or by naturalization, how Cuban citizenship is lost, how it can be recovered, and how to renounce citizenship.

[Betancourt] What legal parameters is Cuba working under now?

[De la Cruz] We have a citizenship law that dates back to the 1960s. That is the legal framework within which we are operating right now.

[Betancourt] Why are we reforming it?

[De la Cruz] We also have a constitutional provision that was included in the 1992 constitutional reform, which establishes the criteria for acquiring and losing citizenship status. Above all, it sets forth a very important principle, which is that under the Constitution, Cuba does not accept dual citizenship.

[Betancourt] I would like to ask you about that later. Why are we drafting this law now if we already have one?

[De la Cruz] The law is somewhat outdated and many things are obsolete. This is going to be a more up-to-date and modern law. We hope it will solve many of the current law's gray areas.

[Betancourt] You said before that Cuba will not accept dual citizenship. This makes me wonder, particularly because we are seeking to improve our communication with Cuban emigres. Many have said they wish to retain their citizenship and others, who may have renounced theirs for whatever reason, would like to regain it. How are we going to make the new policy toward the emigres and this new legal situation work together once the law is approved?

[De la Cruz] I do not think there will be any kind of contradiction. What we are going to do is work on the legal aspects of citizenship, which is in fact purely juridical. There is a broader concept of nationality, which is a more social and cultural matter that has nothing to do with the purely legal situation surrounding citizenship as such. Those people who have lost their citizenship for whatever reason will still have the possibility of recovering it when they decide to live in Cuba again. There will never be an absolute and definitive rupture with those who lost their Cuban citizenship, not just from a legal point of view, but from a social and cultural viewpoint as well, as this is a stronger relationship. They will always have the possibility of recovering their citizenship, lost because of certain circumstances of convenience at a given time.

[Betancourt] What rights do Cubans who continue to be Cuban citizens living outside the country have? They continue to move around the world with a Cuban identification card. These are emigres who have not renounced their citizenship.

[De la Cruz] These people, as you have rightfully said, continue to be Cuban citizens. They have the right to Cuban consular protection, the right to carry a Cuban passport, and they have the right to visit Cuba, have their relatives here and maintain a degree of communication with them. This has had its limitations from time to time, however, in light of the long dispute we have had with the United States and the quasi-war situation we have lived under for the last 30 years. You also know that the country is seeking to normalize that problem and make it easier for Cubans living abroad and who maintain their Cuban citizenship to come home whenever they want. They can come as repatriated citizens or just to visit.

[Betancourt] Would they, for example, keep the rights that I, who am staying here, have?

[De la Cruz] Practically all of them. If you want to ask me... [pauses] some rights are specifically regulated by the law. For instance, regarding the electoral right to be elected to any kind of elective post or to be a voter, you have that right if you regain Cuban citizenship or maintain it.

[Betancourt] And if you also meet other requirements?

[De la Cruz] Of course, you have to live in Cuba a year, or the minimum time the electoral law establishes. Every specific legislation will regulate... [pauses] for instance, on matters pertaining to the elections, the electoral law states that in addition to being a Cuban citizen this and that requirement is necessary.

[Betancourt] Although many countries accept dual citizenship, many of them do not. I explain this so someone will not think not accepting dual citizenship is a Cuban invention because of the confrontation we have had.

[De la Cruz] Most countries do not accept it. Accepting dual citizenship is an exception.

[Betancourt] Have we, have these commissions consulted similar legislations to...

[De la Cruz, interrupting] Of course. We have, of course, consulted many legislations, chiefly from Latin American, on the matter of citizenship.

[Betancourt] Do you want to give a final explanation on this matter?

[De la Cruz] We are working intensely. The meeting on 29 September will be very important, and afterward, I think, the ANPP will approve it.

[Betancourt] You do not know on what date it will be submitted to the ANPP?

[De la Cruz] No, this is not something the commission has to decide. The chair will establish its agenda, and it will decide within that agenda when the debates on the citizenship law will take place.

[Betancourt] Thank you, very much.

'Agenda Abierta' Addresses Labor Resolution

FL2609022194

[Editorial Report] Havana Cuba Vision Network in Spanish at 0202 GMT on 21 September carries its regularly scheduled "Agenda Abierta" program, with host Antonio Resillez and guests Conrado Valladares and Cristobal Gonzalez. Valladares is a labor director and Gonzalez is a specialist in labor law. Both are employed by the Labor and Social Security Ministry.

Resillez says that following the "Agenda Abierta" interview with Francisco Linares, labor and social security minister, on 14 September, it was decided to revisit Resolution Six, regarding workers who were or are being laid off. He adds that many workers called to make suggestions, but primarily to ask questions and focus on the topic. He asks his guests if management decides when a person has become a so-called surplus worker and, subsequently, gets laid off.

Valladares answers that this decision is made by a commission formed by representatives of management, union, and the worker's unit. The commission decides after reviewing, among other things, the worker's experience, seniority, and productivity.

Resillez says that women are interested in knowing if they can retain child care benefits as surplus workers.

Gonzalez says: "Child care benefits are retained while women maintain the labor link with the workplace and receive the benefits guaranteed by Resolution Six, and management is obliged to provide the certificate periodically required by the child care centers."

Resillez asks about new opportunities for surplus workers.

Valladares says new job offers are made by management in concert with the union in each workplace, taking into account the worker's qualifications to fulfill the requirements of the jobs offered and proximity to new job location.

Resillez asks how long a worker can reject these offers while maintaining the state's 60-percent benefit without working.

Valladares says: "New job offers need to be accepted if requirements are met, otherwise the labor link is lost, unless the offer is rejected due to health, location, or family problems, which would be evaluated by the commission."

Resillez asks about new salaries when the job offers are accepted.

Valladares says: "Workers have the right to 100 percent of their previous salary when the new offer is for a temporary position and are guaranteed at least 80 percent of their original salary when the new position is permanent. In both cases, workers can opt to take the new salary when it is higher."

Resillez asks how Resolution Six handles the cases of surplus workers close to retirement age.

Gonzalez notes that they are treated in the same manner: "Workers classified as surplus close to their retirement age do not meet the requirements for social security pension—66 years or more for men, 55 years or more for women, and 25 years of service in both cases. However, these workers are still subject to being laid off."

Resillez recalls that Linares stressed when asked about the possibility for modifications during the 14 September interview that "requirements for retirement—age or years of service—will not be changed." Resillez adds that many people are worried and want to know which salary is taken as a basis to calculate the pension of a surplus worker.

Gonzalez explains that when social security requirements are met, the same salary which was used to calculate the guaranteed benefits as surplus workers—the salary received at the time of being laid off—is also used to calculate the pension.

Valladares and Gonzalez add that workers can select the most profitable five of the last ten years as basis for the calculation.

Resillez says there are two main reasons for surplus workers: structural changes and shortages due to the special period. He asks if Resolution Six treats surplus workers created by these different causes in the same way.

Valladares says that when surplus workers are created by structural changes, they have the right to a new job offer. If this is not immediately possible, then they have 100 percent of the salary guaranteed during the first month and 60 percent thereafter depending on the number of years of service. He notes that in other situations, such as when workers are temporarily laid off due to shortages—cases ruled by Resolution Three of 1992—they have the same guarantees during the first month and 60 percent thereafter until the workplace begins to operate again, regardless of the number of years of service.

Gonzalez adds that when the 60 percent is not enough, families can apply for social assistance, which is provided by the security and social assistant bodies in the municipalities, following an investigation to establish hardship. This aid is provided as long as hardship is evident.

Resillez asks if surplus workers who decide to become self- employed qualify for the 60 percent of benefits.

Valladares says: "Surplus workers becoming self-employed may be still eligible for benefits. This will be decided following an evaluation of individual cases carried out by the municipalities to determine the income as a result of self-employment."

Resillez asks if Resolution Six applies to social workers in the same way.

Valladares says it does.

Resillez asks what happens to surplus workers who have the necessary years of service but are not old enough to retire.

Gonzalez says that both social security requirements—age and years of service—need to be fulfilled to qualify for a social security pension. If a job is not found by a surplus worker not yet eligible for social security and the period of guaranteed benefits is over, then social assistance is available to avoid hardship.

Resillez asks if the status of surplus workers can be communicated any time.

Valladares says notification needs to be done while workers are physically in their workplace.

Resillez says he knows that Resolution Six is valid starting 1 September, yet he asks when implementation will take place.

Valladares explains that Resolution Six will be implemented for pending cases starting 1 September. Management needs to call these workers and offer them new jobs or otherwise give them the 60 percent guaranteed benefits. He adds that new cases of surplus workers will come gradually, with no massive and sudden layoff.

Resillez thanks the guests and invites listeners to visit the nearest municipality directorate in case of doubts regarding Resolution Six.

TRABAJADORES on 'Serious Problems' in Health Sector

FL2609162494 Havana Radio Rebelde Network in Spanish 1155 GMT 26 Sep 94

[Editorial from TRABAJADORES; date not given, from the "Doing Radio" program]

[Text] In recent days the revolution's leadership has criticized the existence of serious problems in the health sector and has taken the first steps to lift the spirit of struggle and desire to solve the situation in the face of the negative tendencies that have caused the deterioration in the quality of this basic service. It is true that we cannot expect the Cuban health care system, a symbol of the revolution and of its humanist and popular essence, to remain unaffected in a country which virtually lost all its external markets overnight and had to suffer, in all its criminal intensity, the consequences of a blockade, the purpose of which is to force the surrender of the people through hunger and sickness.

But it is also true that, after a period of five years and to the amazement of the entire world, our health care system maintains most of its excellent indicators. It has even achieved progress in some areas and has not reflected a decline that could be compared to the magnitude of the economic crisis that the country is currently facing.

Nevertheless, the people have been noticing that beyond the overall results measured in quantitative terms, quality of service has been deteriorating, not only as a result of the inevitable and numerous material shortages, but as a consequence of the actions of personnel as reflected in the relaxation of the discipline and rigorous etiquette that must characterize the health sector.

Many hospitals have shown lapses in standards cleanliness and order that must be presented to patients. The levels of absenteeism have increased, above all during the night and weekends shifts. The maintenance staff's shifts have not been completed. The technical and nursing personnel have been absent. Maintenance and equipment repair are not being done in installations thus damaging the comfort and satisfaction of patients and their relatives.

The workers of this sector—the immense majority of whom possess abilities that exemplify the virtues of dedication and human sensitivity which are part of the nature of health professionals—have shown in one way or another their distance from the situation during the economic efficiency assemblies [words indistinct] of a true diagnosis of the objective and subjective problems that affect the health system.

In this manner we can see the enormous strength of the ideas of necessary rectification sponsored by Fidel, which have been transmitted by Raul in his latest speeches, in which a call is made to banish euphoria, self-complacency, and justification, and to replace them with a spirit of criticism, creativity, and vision in all systems and processes.

A change in the revolutionary style is beginning to emerge among the leadership, a style which is in harmony with the demands of the current times. This change should also take place in a sector that is symbolic of the social victories obtained by the Cuban people in a sacred activity that does not allow, under any circumstances, the coexistence of laziness and defeatism.

We must improve the work of the hospitals and each one of the centers that make up the broad universe of the health care system. We need the effective and constant support of all the institutions of the country—both moral support and material support— to create the best working conditions that can be achieved within the current economic situation.

We must achieve a greater level of responsibility from the cadres at intermediate levels so that they can make proper decisions according to the specific conditions of each place. We need the rigorous application of disciplinary regulations and the concepts of aptitude and ability that should determine the hiring and permanency of workers in a sector where the most elevated human quality is a vital requirement.

We need to consider, to a greater extent, the people's opinions on the services that are offered and not content ourselves with statistical reports that indicate an important but partial aspect of the quality of work. We need to convert our health care centers into examples of democracy and workers' participation in the analysis of the problems and in the search for solutions.

This last element, important in all work activities, becomes even more unavoidable within a sector whose direct objective is that of being humane, thereby establishing an intimate and essential relationship which is a matter of life or death, of suffering or happiness. No one should be more educated, sensitive, mature, humane, and responsible than the health care worker. And society should protect and hold in esteem and dignity, with all the resources at its disposal, the men and women who know how to fulfill the sacred mission of the medical profession.

The health care sector is the mirror, the face, the pride, and the heart of the Cuban Revolution. He who works well and with love on any front of the medical field has, for that reason alone, the dignity of the good people and the merit of the patriots.

AIDS Official Explains Outpatient Care Program

FL2609213194 Havana Radio Rebelde Network in Spanish 1155 GMT 26 Sep 94

[From the "Doing Radio" program]

[Text] Dr. Reinaldo Gil Suarez, member of the national AIDS program's technical commission, is here to discuss something that has caused a certain amount of surprise among the population—the outpatient care program for patients who are HIV-positive.

[Begin recording] In mid-1993, we began something new within the AIDS program—the outpatient care program. In Cuba, people who are affected by AIDS can turn to the outpatient care program. Generally, all infected persons are admitted to a hospital, are briefed about AIDS, thereby becoming more responsible for their own health and the health of others. Once these people have been adequately informed about AIDS, its risks, and the care they should receive for themselves and the community, they may choose to carry on with their ordinary lives. It is important to point out that those who prefer to stay in the hospital, whether because they feel safer, because the living conditions in the hospital are better, or for social and personal reasons, can stay in the hospital. Others may opt for the outpatient care program—again, voluntarily. We have ensured that patients within the outpatient care program have the same level of care as those in the hospital. Even under the special circumstances that Cuba is experiencing—lack of food and other social problems—the AIDS patient or the HIV patient, has a high priority. They receive a supplemented diet, which increases their food consumption to the same level as in the hospital. [end recording]

Ibarra Honors Participants in Hijacking Prevention

FL2609234894 Havana Radio Reloj Network in Spanish 1953 GMT 26 Sep 94

[Text] Corps General Abelardo Colome Ibarra, interior minister and member of the Politburo, praised those who prevented the hijacking of the Husara vessel on 13 August in the port of Mariel.

Colome sent a message to the delegates of the Fourth Congress of the Merchant Marine, Ports, and Fisherman's Union in Mariel, praising the strength and intelligence with which a serious problem was resolved. Colome added that it was possible to avert the hijackers' plan in a few hours, without violence, due to the efficiency of the port workers, the tug's crew members, the readiness of the quick response brigades, the Blas Roca contingent, the interior minister, and the leadership of the Revolutionary Armed Forces [FAR], which so exceptionally contributed to the peace and order the people need.

ANPP Analyzes Bills for Submission to Plenum

FL2709001594 Havana Radio Progreso Network in Spanish 1100 GMT 26 Sep 94

[From the "First Thing" program]

[Text] A very important group of proposed legislative bills is being analyzed by the National Assembly of the People's Government [ANPP] permanent commissions, including a broad dialogue with vital sectors of Cuban society. The citizenship law and the regulation governing the functions of the People's Government at municipal and provincial levels are two of the bills being analyzed. The proposed bills on the rights of authors, and mining—the latter of great importance to Cuba's economy—are being analyzed in cooperation with the corresponding specialized and state organizations, in seeking a final text for these bills, which will later be submitted to the ANPP plenum.

Problems, Value of Progress Report Assemblies Analyzed

FL2709162194

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 26 September carries its "Straight Talk" program with host Osvaldo Rodriguez and guest Jose Alejandro Rodriguez.

Osvaldo begins the program by inviting Jose Alejandro to open the analysis on the Progress Report Assemblies. Jose Alejandro begins by mentioning that the assemblies will be held between 15 October and 30 November. He goes on to say that there have been problems with the progress report assemblies because some people do not recognize their value: "There are some who have called the progress reports a repetition of the same old story."

Jose Alejandro then discusses the subjective problems that can be solved at the local level. He adds that the assemblies must be in harmony with the country's reality.

Expounding on the problems facing the progress report assemblies, Jose Alejandro adds: "I am convinced that in the midst of the problems we are facing, there are many who have been unable to change their mentalities. They are stuck in time. There are people like this in different groups. There are those who are lost in time because they want to pursue a certain lifestyle. There are others who are lost in time because they do not believe the country is changing. They cannot see it. The country is changing around them, and they have not realized it." He goes on to add that the country is changing and is being decentralized: "We used to be a vertical country. We waited for solutions to come from above. Nevertheless, our country is changing. Many things are now being done locally."

Osvaldo points out: "Nevertheless, the presidents of the people's councils and the delegates complain of a lack of autonomy. They complain that many times they cannot solve problems because they do not receive the support they need."

Jose Alejandro agrees with Osvaldo's point and goes on to discuss the importance of municipal representation in these assemblies, in order to provide the people with explanations of the issues affecting the people of that locality. On this Jose Alejandro adds: "Not attending these meetings is a way of avoiding responsibility. Presenting themselves is a professional test. The individual confronting the problems can show his face at the meeting. Perhaps that person who is avoiding the problems and sitting behind a desk cannot show his face because he knows that he will have to answer the concerns of the people."

Osvaldo points out that there are some in Cuba who believe that a way of breaking the old meeting pattern is to change the name of the meetings. He says: "Progress report means someone is going to sit in front of me to read a report, and I am going to listen and analyze this information. If we want to change the concept. We must also change the name. I believe neighborhood assemblies would be a proper name, because these assemblies should be aimed at solving problems jointly, as a community."

Jose Alejandro points out that the name is not as important as the spirit of the meetings. He comments: "There are some who are skeptical when it comes to the assemblies. I believe we need to look around and see how the country's reality is changing. This can be seen in the neighborhood itself." He goes on to say: "There are millions of solutions around us. We must overcome inertia. We cannot bury our heads in the sand like ostriches. It is easier to live this way, but we must continue fighting to put things in order. We must discuss things among ourselves and find solutions for living better under the current circumstances."

Finance Minister on Results of New Economic Measures

PA2709165894 Havana Radio Havana Cuba in Spanish 0100 GMT 27 Sep 94

[Report by Carlos Sanabria Marrero from Santiago de Cuba; from the "Evening Information Review" newscast—recorded]

[Text] In another part of his speech before the Santiago economists, Finance and Prices Minister Jose Luis Rodriguez said that the measures implemented to reorganize internal finances have begun to yield results.

[Begin Rodriguez recording] With the adoption of these measures, approximately 1.2 billion pesos have been collected as of 15 September. In other words, we are closing the first 15 days of September with an excess liquidity of 10.665 billion pesos. It has not been easy to implement these measures. It was initially said that the people would not really like these measures. The important point is that the measures show that our people are now seeing their expenses in a different light. They begin to see money, our currency, from a different point of view. We think that these measures have even affected the underground economy. We have learned that it has even been said that there has been a collapse in the prices of the underground economy.

This situation is based on many issues, even with the application of Decree Law 149 prohibiting the acquisition of illegal wealth. This measure has a very conspicuous political nature—more than just for collecting revenue—and in the underground economy issue, it has been effective. Resolutions have been passed to confiscate 84 cases of goods worth 24.4 million pesos throughout the country. [end recording]

We have just brought you a report direct from Santiago de Cuba on the special participation by Comrade Jose Luis Rodriguez, finance and prices minister, at the Fourth Congress of Economists held at Santiago de Cuba Province over the weekend.

Sugar Minister Stresses Need for Efficient Harvest

PA2809030894 Hamburg DPA in Spanish 1536 GMT 27 Sep 94

[By Victorio. M. Copa]

[Text] Havana, 27 Sep (DPA)—In an effort to prevent a new drop in sugar production, today the Cuban authorities called for a "rapid and efficient" 1994-1995 harvest after this year's harvest resulted in the lowest yield of the past three decades.

Sugar Industry Minister Nelson Torres, in a general meeting of the Cuban Workers Federation (CTC) and after touring several of the 14 provinces on the island, called for greater industrial farming efficiency to boost the main source of Cuban foreign exchange.

Torres said it is important to take "the fullest advantage of the potential" of each of the 164 sugar mills (factories) that exist in Cuba and extract all the sugar from the cane.

A Sugar Ministry source told DPA that the milling of leftover sugarcane must start right from the beginning of the campaign, and the harvest should be scheduled during its optimum period to be more efficient.

Torres believes that greater efforts must be made now and not when the rainy season hampers the work of the machines (cutters and pickers), even though he did not specify the date for the next harvest.

The source disclosed that for this campaign, there are the same number or fewer resources than for the past campaign when two vital premises were not followed: plenty of sugar cane and efficient milling.

At the beginning of August, President Fidel Castro said that during 1994, Cuba produced only 4 million tons of sugar, the second consecutive drop in its production, which at the beginning of the decade seemed to stabilize at 7 million tons a year.

Asked by DPA, Octavio Castilla, deputy minister for Foreign Investment and Economic Assistance, admitted that the poor sugar harvest has so far prevented the recovery of the Cuban economy and overshadowed the successes achieved in other sectors.

"Cuba has a sword that is called sugar harvest. That is why any concept of the economy has to take into account the sugar sector," the official pointed out.

After explaining that the island needs a minimum production between 6 and 7 million tons a year to allow a certain leeway, Castilla blamed the poor results on the lack of fertilizers, fuel, and supplies.

"In 1992, we produced 7 million tons of sugar, we dropped in 1993 to 4.2 million, and in 1994 we dropped to 4 million," Castro had said when revealing the $1 billion production loss due to the reduction of the last two harvests.

Seminar on Ethics, Youth Begins in Havana

FL2709181494 Havana Radio Rebelde Network in Spanish 2300 GMT 26 Sep 94

[Report by Carmen Oria; from the "Exclusive" program]

[Text] [Oria] The Fourth National Seminar on Ethics and Youth began on 26 September in Havana. The main topic of the seminar is the crisis of values in Cuban society, particularly viewing crisis as: readaptation of a social behavior model that does not respond to special-period conditions.

We spoke with Juan Mariloy, member of the seminar's organizing committee.

[Begin recording] [Mariloy] This includes a crisis in values since it is unquestionable that we need an readjustment of values. However, what do the people have to say? The people believe that morals have been lost, that morals no longer act as a regulating mechanism on behavior, and that people are focusing on economic interests in meeting primary needs.

What, therefore, do we need to focus on? Given the difficult economic circumstances being experienced, and although it is true that a number of people have taken on the values of selfishness, individualism....

[Oria, interrupting] Unacceptable behaviors.

[Mariloy] Right—There are millions of people who continue to live according to the old values. In other words, people whose values are deeply rooted. How can we speak of an absolute crisis of values when there is still solidarity behavior, thousands of people working hard, thousands who still show up for work despite difficulties with transportation; and Cuban society still responds to values such as patriotism, dignity, solidarity, and pride?

Is it possible then to speak of ethics? Yes, we believe so. [end recording]

The seminar is being sponsored by the Felix Varela Center and the Varona Institute of Higher Education. Numerous specialists are participating in an effort to reach recommendations aimed at improving the education of our youth.

Communications Official on Ham Radio Operators

FL2809013894 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Sep 94

[Interview with Guillermo Nunez Jimenez, area director of the International Ham Radio Operators Union, by correspondent Mariela Diaz in Havana; date not given; from the "Exclusive" program—recorded]

[Text] [Diaz] What brings you to Cuba?

[Nunez] I have come to strengthen ties of friendship, representing the people of the United States, and to salute the Cuban people.

[Diaz] What have you done in Havana?

[Nunez] I have had several working meetings to review our agenda, with reference to ham radio operators. I have seen the activities of Cuban ham radio operators and their technical advances.

[Diaz] How does the International Ham Radio Operators Union [Union Internacional de Radio Aficionados Amateur] function?

[Nunez] Basically, we represent our members before the International Telecommunication Union, the highest authority on this activity. The International Telecommunication Union is governed by the United Nations and specializes in communications. It is the forum that oversees everything related to communications, in which ham radio has a special place through our organization.

[Diaz] What do you think of Cuban ham radio operators?

[Nunez] I can say with great pride that in the [word indistinct] that are done, they go further than countries that have greater levels of technology and more means. The results here are better.

[Diaz] How many ham radio operators are there in Latin America?

[Nunez] Approximately 900,000 in Latin America, and nearly 3 million worldwide.

[Diaz] I am very grateful to you, Guillermo Nunez Jimenez.

Inter-Caribbean Affairs

Caricom Forces To Enter Haiti Once Stability Attained

PA2809004594 Hamburg DPA in Spanish 2236 GMT 27 Sep 94

[Text] Kingston, 27 Sep (DPA)—The Jamaican Army announced today in a printed statement that the small force comprising Caribbean Common Market (Caricom) soldiers will enter Haiti only after land commanders carry out reconnaissance and regional leaders receive final approval that "conditions of stability" have been achieved.

The statement was released after a visit to Haiti and Puerto Rico by Jamaican Defense Forces Chief Rear Admiral Peter Brady, Caricom Regiment Commander Lieutenant Colonel Linton Graham, and Lieutenant Colonel Allan Douglas.

The statement says that during the visit to Haiti, Brady met with U.S. Defense Secretary William Perry.

The head of the Pentagon, it was reported, "expressed his gratitude for the support and cooperation offered up to now to the multinational forces, headed by the United States, and his wish to have the Caricom force active within the group as soon as it is deemed practical and acceptable."

The Caricom force, which comprises 266 soldiers, trains in Puerto Rico and it has been said that they are ready.

"The training is going very well and troop morale is high. The U.S. and British trainers have praised the attitude and professionalism of the Caricom force," the communique added.

Dominican Republic

Government Resumes Trade With Haiti, Reopens Border

PA2709192694 Mexico City NOTIMEX in Spanish 1755 GMT 27 Sep 94

[Excerpt] Santo Domingo, 27 Sep (NOTIMEX)—The Government of the Dominican Republic today ordered the resumption of commercial relations with Haiti, as well as the reopening of the border between the two countries, according to Rafael Bello Andino, secretary of state for the Presidency.

The official announced that President Joaquin Balaguer also has instructed military commanders at border outposts to permit the entry of Haitian citizens wishing to conduct commercial transactions in Dominican territory.

With this measure, the Dominican Republic becomes the second nation to end the economic embargo against Haiti following U.S. President William Clinton's decision on Monday to lift some unilateral sanctions against Port-au-Prince. [passage omitted]

'Massive Return of Haitians' Reported

PA2709150994 Hamburg DPA in Spanish 2325 GMT 26 Sep 94

[Text] Santo Domingo, 26 Sep (DPA)—Vitelio Mejias, director general of the Dominican Immigration Department, said the presence of the U.S. troops in Haiti is causing a massive return of Haitians to their land.

Mejias said that last weekend hundreds of Haitians returned to their country with their children and carrying their belongings with them. He said he could not estimate how many Haitians crossed the border on their way to Port-au-Prince, but said it was an unusually high number.

The Immigration Department director said many of the Haitians feel safe because of the presence of U.S. troops in Haiti and for this reason they are going home.

Mejias said that contrary to reports published in the media, the number of Haitians entering the Dominican Republic in recent days has been very low.

He said those who entered the Dominican Republic are mostly businessmen or people with business interests in the Dominican Republic.

He said no incident has been reported at the border, and for the time being, Dominican authorities are not permitting the shipment of fuel to Haiti.

Haiti

U.S. Soldier's Death Termed Suicide

FL2709212094 Port-au-Prince Radio Metropole in French 1800 GMT 27 Sep 94

[Report by correspondent Rothschild Francois, from Villa d'Accueil, Port-au-Prince; first paragraph announcer-read introduction—live]

[Text] The United States has lost its first soldier in Haiti: A U.S. soldier was killed in Villa d'Accueil today, allegedly hit by a bullet under circumstances that remain unclear. The U.S. State Department has confirmed reports of the assassination...[pauses] the death of the U.S. soldier. A spokesman has said that the death does not seem to be related to the military operation that has been under way for one week. Traffic near Villa d'Accueil—where Haitian heads of state and Haitian electoral council members once lived—has been tied up ever since the U.S. Army encircled the area. We are in touch with Rothschild Francois, who is on the spot and who, like other Haitian and foreign journalists, has not yet managed to learn of the circumstances surrounding the U.S. soldier's death:

[Francois] We have not yet heard any explanation for the U.S. soldier's death, the first U.S. soldier to die since the U.S. intervened militarily in Haiti. Journalists have surrounded Villa d'Accueil. We are trying to get further information but have not yet been able to do so. The only thing is that some residents in the area told us that they had heard gunshots near Villa d'Accueil at about 1100 [1500 GMT] this morning, about the time that the U.S. soldier died under circumstances that remain unclear. Traffic in Villa d'Accueil was tied up a few moments ago but is more or less clear now. All of the press cars made traffic extremely difficult.

I just heard that the U.S. Embassy in Haiti, that USIS, has allegedly issued a press release on the U.S. soldier's death.

Residents also saw a helicopter—that is, a U.S. Army medical helicopter—landing on the Villa d'Accueil golf course. They have apparently already taken away the body of the U.S. soldier, who killed himself this morning. Circumstances surrounding the death of the first U.S. soldier involved in Operation Uphold Democracy remain unknown.

Colonel Barry Willey said this morning that about 15,000 U.S. soldiers are already in Haiti to conduct this operation.

This is mobile unit 20 reporting.

Aristide: 'Watch for Traps,' 'Terrorist Acts'

FL2709164094 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep 94

[Text] Haitian President-in-Exile Jean-Bertrand Aristide sent a message of tolerance to the Haitian people and the Haitian military authorities. However, this tolerance does not mean total laissez-faire, according to explanations by the Haitian constitutional president. The role of the government is to guarantee the freedom of all individuals, and the Army must work toward restoration of a climate of peace and safety, according to Father Aristide, who took this opportunity to thank the military of the multinational force. Let us listen to the explanations of Father Jean-Bertrand Aristide.

[Begin Aristide recording, in Creole] We can finally sleep at night. There is less worry, less sadness, less fear. What relief we have this week! It was more than time for gunshots to stop ringing in your ears. Three years are not three days. I can imagine how you feel, which is normal because your suffering is my distress. When you have a fever, my body temperature rises; when you cough, my ears buzz; yes, your nose having been hit, tears appear in my eyes. As I say, it was more than time for peace to be restored in the country. Restoring it is one thing; diverting it is something else [retounen se youn, detounen se de].

Peace has been restored, but it must not be diverted. So, we must keep it. We must protect it, especially because it is still early. We are only in the first week. This peace is now comparable to an egg. It is as fragile as a cracked egg. The putschists who do not want democracy are still there. Watch for traps; do not underestimate the terrorist acts that apparently peaceful people and pharisees [agnosidou ak ti jezi nan po krab] can commit to divert the peace that has been restored. [end recording]

That was the message of President Jean-Bertrand Aristide, who is now living in Washington.

Popular, Peasant Groups Report Continued Repression

PA2709215594 Hamburg DPA in Spanish 2034 GMT 27 Sep 94

[Text] Port-au-Prince, 27 Sep (DPA)—Several Haitian popular and peasant organizations today reported the continued repression and the training of armed procoupist civilians in towns located in the country's central plateau.

The organizations, including the Union of Young Patriots of Mirebalais, the Committee of Resistance Against Repression, and the Committee for the Defense of Michaud Peasants, also reported several arbitrary arrests made by the military, the "attaches," (auxiliary police), and members of the Neo-Duvalierist Revolutionary Front for the Promotion and Progress of Haiti, FRAPH.

In addition, more than 50 political, union, peasant, popular, and religious organizations have announced that a mass will be held at the Port-au-Prince cathedral next Friday, the third anniversary of the coup against President Bertrand Aristide. The mass is to be followed by a street demonstration in memory of the victims of military repression.

In a communique, the organizations that called for the demonstration said: "We want to form a chain of solidarity with families, friends, and all sectors trampled by the Army, "attaches," section chiefs, and shameless parliamentarians and politicians."

The movements that called for the demonstration include the National Congress of Democratic Forces (CONACOM), National Reconstruction Movement (MRN), and the deposed President Aristide's Lavalas Political Organization (OPL).

After the mass, a wreath will be laid at the Port-au-Prince cemetery in memory of all Haitians assassinated during and after the 30 September 1991 military coup.

Parliament President on 'Intimidation' Against Deputies

PA2809033794 Madrid EFE in Spanish 0139 GMT 28 Sep 94

[By Herold Jean-Francois]

[Text] Port-au-Prince, 27 Sep (EFE)—Chamber of Deputies President Frantz Robert Monde, has said that he watched with "bitterness" how deputies were threatened by dozens of citizens who gathered today outside the Haitian parliament, where moments of tension were experienced.

The place was taken over by U.S. soldiers, who are in Haiti on a "mission of peace" to reestablish democracy.

Monde was referring to the moment when groups of demonstrators verbally attacked the legislators who favor the coup d'etat that overthrew President Jean-Bertrand Aristide three years ago on 30 September 1991.

The Chamber of Deputies president said that this act of "intimidation against parliamentarians" reminded him of the dramatic situation that he experienced outside the parliament on 13 August 1991 "when the parliament questioned Prime Minister Rene Preval."

Monde said in written statements to the press that there has been no change in attitude among those who advocate a return to the constitutional order.

Nevertheless, he commented that despite this, he summoned the legislators for 1400 (1800 GMT), to consider the military amnesty bill.

Monde claims that the presence of U.S. soldiers was a greater scare to the deputies, and he doubted that the soldiers' presence can protect them.

Likewise, this afternoon, several deputies condemned the hostile attitude of several Haitian citizens against them. Some deputies even cried from shame due to the presence of U.S. soldiers inside the parliament.

One legislator who was not identified threatened to resign if U.S. troops stay inside the parliament.

He said that it is unacceptable for U.S. soldiers to check the identity of deputies when they attempt to enter the Haitian parliament.

Legislator Serge Jean Louis, a social democrat, said that any deputy, from whatever faction, should be able to enter the chamber without problems and invited the people to avoid giving others the pretext to misinterpret their behavior.

Another legislator said that the parliament should not debate the national problem in the presence of foreigners.

Movement Urges Fight Against U.S. Occupation

PA2709182794 Madrid EFE in Spanish 1720 GMT 27 Sep 94

[Text] Port-au-Prince, 27 Sep (EFE)—Haiti's National Federation of Students today condemned U.S. military intervention in Haiti, an action the federation termed an "affront to national honor."

The leftist student organization said U.S. troops stationed in Haiti have the ultimate mission of dismantling national Haitian institutions. The organization went on to predict that Haiti's economy would be reformed to function in line with the economic interests of the United States.

Meanwhile, the 28 November National Patriotic Movement (MNP 28) urged the nation to fight against the U.S. military presence. Dejean Belizaire, who was elected senator in the 18 January 1993 elections not recognized by the international community, called on the population to fight against U.S. occupation.

U.S. Officer Reportedly Fired First Shot in Cap-Haitien

FL2709162594 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep [illegible]4

[Text] The chief of the Marine detachment in Cap-Haitien, Colonel Tom Jones, admitted on 25 September that it was one of his men, a young lieutenant, who first shot at a [Haitian] policeman when the latter made a gesture, pointing his weapon at U.S. soldiers. The High Command believes this incident has resulted in jeopardizing the peace objective aimed for by the Port-au-Prince agreement signed on 18 September by former President Jimmy Carter and the military-installed civilian government. This agreement allowed transformation of the military invasion planned by Washington into a peaceful intervention. It hopes the agreement is not hindered without good reason.

Col. Pierre Antoine also accused the U.S. soldiers of impassively witnessing the plundering and sacking of the police and military installations in the north.

Committee Accuses U.S. Force of Planning Attack

FL2709232094 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep 94

[Text] The Committee for Patriotic Action and Citizens' Defense [CAPDC] says it is angered by the violence and bloodshed that brutal U.S. Marines carried out in the name of democracy in Cap-Haitien on 24 September. The CAPDC, based in Cap-Haitien, reports that Haitian soldiers were bewildered by the deployment, which was so disproportionate that it became ridiculous. They were not even in attack mode but were waiting for instructions. In addition, U.S. officials asked residents to return to their homes and close their doors and windows a few minutes before the attack. The area was controlled when the gunfire began. The CAPDC believes that the Marines planned the attack on the Cap-Haitien barracks. The CAPDC takes this opportunity to inform the nation and the world that the U.S. soldiers have virtually handed the city over to Lavalassian groups, including armed groups, that pretend to proceed with the disarmament operation but instead are terrorizing the peaceful citizens of the city. The statement is signed by CAPDC President Herve Leveille, CAPDC Treasurer Nicolas Clervil, and CAPDC Secretary Wildor Joseph.

Military: Attack 'Gratuitous Assassination'

FL2709170994 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep 94

[Text] U.S. troops are the only ones that can maintain order in Cap-Haitian and the surrounding area, Haitian policemen and soldiers having deserted their posts following riots that occurred over the weekend, the Haitian military High Command stated in Port-au-Prince on 26 September. The military posts in the north are now empty following the voluntary retreat by the Haitian forces of order. Only the U.S. forces are available for the maintenance of order, asserted Colonel Joseph Pierre Antoine, spokesman for the High Command, during a press briefing at the General Headquarters. Col. Antoine, however, denied that it is a call for U.S. troops to supplant the Haitian Army and police. According to him, the chaotic situation prevailing in this region of the north at this time was triggered by the gunfire that occurred on the night of 24 September between U.S. Marines and Haitian policemen in Cap-Haitien, killing 10 and wounding one Haitian.

Numerous installations, including non-military ones, were plundered on 25 September by demonstrators favoring constitutional President Jean-Bertrand Aristide, Col. Antoine added. Life in the metropolis of the north is paralyzed, said the colonel, confirming that the subdistrict of Borgne, region of the Petit Bourg du Borgne in the west of Cap-Haitien, had been attacked and invaded by armed civilians. The spokesman explained that eight of the victims were military, the police being totally integrated into the Army in Haiti, and that the two others were civilians. All of them were innocents, in his opinion. On 26 September, the Haitian flag was half-masted on all state-owned buildings. No provocation from members of the Cap-Haitien police was at the core of the incident, he stated, adding that the Americans opened fire without motive. He labeled the incident a gratuitous assassination. He also asserted that the dead as well as the wounded had been confiscated by the U.S. military. We learned very late on 26 September that the bodies of the 10 dead had been entrusted to the Justien Hospital in Cap-Haitien.

Colonel Resigns Over Cap-Haitien 'Imbroglio'

FL2709220094 Port-au-Prince Radio Metropole in French 1800 GMT 27 Sep 94

[Text] A high-ranking Haitian Army officer has resigned: Colonel Claudel Josapha, commander of the Department of the North, officially tendered his resignation in a report on the events in Cap-Haitien. The officer sent his report to General Cedras, describing the events as an imbroglio that soils mankind's dignity and prestige. Col. Josapha advised the commander in chief that he was resigning and asked him to take the necessary steps to shed light, quote, on the indecent behavior of Col. Tom Jones, in charge of the operation in Cap-Haitien, as well as on his privates, unquote.

Cap-Haitien 'Tense'; Citizens Applaud U.S. Soldiers

FL2809000794 Port-au-Prince Radio Metropole in French 1045 GMT 27 Sep 94

[Interview with correspondent Jean-Claude Larousse, in Cap-Haitien, by correspondent Clarence Renois, in Port-au-Prince, on 27 September; Larousse and Renois speak in Creole; first paragraph announcer-read introduction—recorded]

[Text] Cap-Haitien, the nation's second city, is tense but calm following the shootout between Americans and Haitians on 24 September: Cap-Haitien is tense but calm two days after deadly exchanges between Haitian and U.S. soldiers which, as the latest reports to Radio Metropole indicate, left 11 dead. Businesses remained closed on 26 September, there have been no street demonstrations in the city—which is under the U.S. Army's control—and the Haitian military have surrendered their weapons and deserted their barracks. Jean-Claude Larousse reports:

[Larousse] It appears calm. Businesses are very much affected by the situation: Many stores are closed. Public administrators are not working either. There were no demonstrations today. A helicopter circled overhead last night, with the voice of General Raoul Cedras—who visited Cap-Haitien briefly—calling for national reconciliation and urging the public to remain calm.

[Renois] So, Cap-Haitien is calm. How about the Haitian military?

[Larousse] The situation is quite disastrous for the Haitian military, following U.S. military moves on the Cap-Haitien barracks. Most or all of the military in the city have left their barracks. Residents entered the civilian prison, where some prisoners were being held, and went to the police station and La Salle, the largest arms storage room in Cap-Haitien. Only a few soldiers remain in the city.

[Renois] The military in Cap-Haitien left their barracks? Where did they go? Did they take their arms with them?

[Larousse] It seems that the Haitian military left many weapons. The civilians who invaded the barracks were carrying weapons, machine guns, and Uzis. They were demonstrating on top of some heavy army trucks.

[Renois] What did the civilians do with the arms? Did the U.S. military take the weapons?

[Larousse] Some reports indicate that the U.S. military poured acid on most of them to destroy them. So, many of the weapons have been destroyed.

[Renois] Have the 10 people who were killed been identified? Were they military? Or hired thugs?

[Larousse] More than 10 people died: We counted 11 Haitian soldiers at the Justinien Hospital. There were no hired thugs. Among the army officers is Lieutenant Pascal, assistant chief of police. We counted 11 Haitian soldiers.

[Renois] What is the atmosphere like following the shootout? How is the public reacting to the U.S. military?

[Larousse] People in Cap-Haitien are talking about the shootout. Young people applaud the U.S. soldiers everywhere they go. People are talking a lot about the shootout.

[Renois] Is there any sign that the public no longer trusts the U.S. military following the shootout?

[Larousse] Not at all. We have not yet observed that in Cap-Haitien.

[Renois] In addition to police activities, in what other activities will the U.S. military be involved? They spoke of initiatives to clean up Cap-Haitien and to supply the city with electricity.

[Larousse] Yes, Clarence. We noticed that some U.S. soldiers were cleaning the streets. They even went to the hospital and stored some humanitarian aid. They also started other activities. The Americans met almost all Cap-Haitien managers to study all the problems that the city is facing so that they can help. The Americans even promised to supply Cap-Haitien with electricity within a few days.

Businesses To Close To Protest Incident

PA2809021794 Madrid EFE in Spanish 0128 GMT 28 Sep 94

[Text] Port-au-Prince, 27 Sep (EFE)—Private sector organizations affiliated with the Chamber of Commerce today called on businesses to close from 29 September to 1 October to protest Saturday's incident in Cap-Haitien.

In that incident, 11 policemen were shot to death in a shootout with U.S. soldiers.

In a news release, the private organizations of merchants asked that the Haitian flag be flown at half-mast in public buildings. The decision was adopted after a meeting of those organizations yesterday.

On Saturday, 11 policemen were killed in a shootout with U.S. soldiers patrolling near the police headquarters in Cap-Haitien.

PRI Secretary General Shot, Hospitalized

PA2809162894 Mexico City Canal 13 Television Azteca Network in Spanish 1606 GMT 28 Sep 94

[Text] We are interrupting Canal 13 Television Azteca Network's scheduled programming to report that just before 0930 this morning, across from the Casablanca Hotel on Reforma Avenue in Mexico City, Jose Francisco Ruiz Massieu, secretary general of the Institutional Revolutionary Party [PRI], was shot.

As noted, the attack occurred shortly before 0930. The Roads and Safety Secretariat reports that one person has been arrested. A few minutes ago we were able to confirme that Jose Francisco Ruiz Massieu, PRI secretary general and PRI deputy-elect—recently appointed to head the PRI faction in the new Congress—has been shot. He has been taken to Espanol Hospital in Mexico City where he is being treated.

Further Details on Attack

PA2809164394 Mexico City Radio ACIR Network in Spanish 1620 GMT 28 Sep 94

[Report by Pepe Cardenas from the "Panorama Newscast"]

[Excerpts] A few minutes ago we learned that Jose Francisco Ruiz Massieu, secretary general of the Institutional Revolutionary Party [PRI], was shot at least three times by an unidentified gunman. The attack occurred on the corner of Fragua Street and Reforma Avenue near the Casablanca Hotel. There are two versions of the attack. Some believe it could have been an attack on the PRI politician and former Guerrero State governor. Others believe that it could have been attempted robbery.

Rene Monterrubio, secretary general of the Roads and Safety Secretariat, reported earlier that the attack on Ruiz Massieu occurred at approximately 0900. Ruiz Massieu was standing by his car, which was parked on Fragua Street near the building that houses the Grand Commission of the Chamber of Deputies, when he was shot by a person who has allegedly been arrested and whose name has not been released. [passage omitted]

It is believed that Ruiz Massieu was shot three times in the neck. According to paramedics who attended to Ruiz Massieu in the Mexican Red Cross Ambulance that took him to the Espanol Hospital Emergency Room, Ruiz Massieu was seriously injured and suffered respiratory failure while in the ambulance. [passage omitted]

[Mexico City NOTIMEX in Spanish at 1625 GMT on 28 September adds that Ruiz Massieu is in "critical condition."]

Salinas, Zedillo Leave for Hospital

PA2809165794 Mexico City XEW Television Network in Spanish 1635 GMT 28 Sep 94

[From the "Upon Awakening" newscast]

[Excerpts] We have learned that members of the Institutional Revolutionary Party are heading to Espanol Hospital located in the Polanco neighborhood. We also have learned that President Carlos Salinas de Gortari and President-Elect Ernesto Zedillo are also en route to the hospital to get word from the attending physicians on Ruiz Massieu's condition. [passage omitted]

We also have learned that the bullet lodged in Ruiz Massieu's neck is a nine-millimeter slug. It likely was fired from a submachine gun—in other words, a sawed-off machine gun [as heard]. All evidence points to the possibility that there was only one assailant, and we have learned that he has been arrested. [passage omitted]

Ruiz Massieu Dies From Gunshot Wounds

PA2809175494 Mexico City Radio ACIR Network in Spanish 1743 GMT 28 Sep 94

[From the "Panorama Newscast"]

[Text] We have just been informed that it has officially been reported that Francisco Ruiz Massieu has lost his life as a result of the attack that occurred at 0930. Jose Francisco Ruiz Massieu lost his life two hours and 10 minutes after being hit by a nine-millimeter bullet, according to Dr. Manuel Pelaez, general diretor of Espanol Hospital.

Electoral Institute Condemns Attack

PA2809173094 Mexico City XEW Television Network in Spanish 1657 GMT 28 Sep 94

[Communique issued by the General Council of the Federal Electoral Institute in Mexico City on 28 September—read by station announcer Dalila Antuna]

[Text] Members of the IFE [Federal Electoral Institute], gathered in a regular session that was recessed after learning of these incidents, unanimously and categorically condemn and reject violence. This time it involved Jose Francisco Ruiz Massieu, Institutional Revolutionary Party representative to this General Council and secretary general of that party. We ask all Mexican citizens and society in general to remain calm and to exercise and demand respect for the law. We also demand the investigation of these incidents and the application of the full weight of the law on those responsible. The recent election process has shown that Mexicans clearly opted for elections as the only way to define the present and future of our country. The members of the IFE General Council share that conviction and say no to violence.

Salinas on 'Very Positive' Meeting With Clinton

PA2709144494 Mexico City XEW Television Network in Spanish 0430 GMT 27 Sep 94

[From the "24 Hours" newscast]

[Text] President Carlos Salinas de Gortari and U.S. President Bill Clinton met this afternoon in New York. It was a private meeting held within the context of the UN General Assembly. The two leaders reviewed the state of bilateral relations. President Salinas reaffirmed Mexico's strong opposition to the direct harassment campaigns and activities currently being planned against Mexican migrants. Salinas also noted that the U.S. Government has adopted a firm posititions by refusing to declare a state of emergency in San Diego County.

[Begin Salinas recording] On the specific bilateral relations issue regarding the treatment of Mexicans who enter the United States as migrants, I conveyed to him our very serious concern regarding the actions taken against Mexican migrants, chiefly in the state of California.

I must tell you that President Clinton spoke plainly about the steps the U.S. Federal Government is taking to ensure that our fellow citizens receive proper treatment in the United States. This problem is occurring primarily because of political and electoral motives of local authorities.

We will continue to insist through diplomatic channels and through difinitive actions that the United States explicitly state that our compatriots in the United States should receive respectful treatment, and, most of all, that the United States recognize that these people intrinsically contribute to the strengthening of that state and the nation thanks to the honest and dependable work they perform. [end recording]

During the meeting, President Salinas de Gortari raised the need to bolster customs operations to effectively combat contraband. He also insisted that the addendum to the extradition treaty be signed to prevent cross-border kidnappings. He also reviewed the progress made in fighting drug trafficking. The two presidents reviewed NAFTA and the Uruguay Round of GATT. At the end of the meeting, the president spoke to Victor Fuentes of the ECO news service and the "24 Hours" newscast concerning his impressions of the meeting.

[Begin recording] [Fuentes] What can you tell us about your meeting with President Clinton?

[Salinas] It was a very positive conversation in which we reviewed different aspects of bilateral relations. I stressed those aspects we deem important—specifically, commercial relations and NAFTA's progress, as well as the treatment given to Mexican migrants in California. [end recording]

Under Secretary on Aiding Migrants in U.S.

PA2709190994 Mexico City EL FINANCIERO in Spanish 26 Sep 94 p 84

[Report by Paloma Ruiz—passages in italics as published]

[Text] The anti-migrant steps being taken in the state of California to deprive undocumented Mexicans of rights related to education, basic public health, and social services have become very significant in bilateral relations with the United States.

In an interview with EL FINANCIERO, Andres Rozental, under secretary of foreign relations, said the Mexican Government is openly opposed to and rejects *Proposition 187*—also known as the SOS (Save Our State) initiative—calling it xenophobic, racist, and anti-Mexican. Californians will vote on the initiative in November.

Rozental added that the only thing the Mexican Government can physically and substantively do is confirm, through its consulates and protection network for Mexicans in the United States, that "our fellow citizens have the support of the government, not only to defend their interests, but also to protect them if necessary."

In view of the situation in the state bordering Mexico and where a large number of Mexicans live, human and material assistance has been increased to better defend their interests and to ensure that their human rights are not violated.

We asked Rozental: Why are resources similar to those used in the approval of NAFTA, such as the economic resources and lobbying, not being used to confront *Proposition 187*?

Rozental responded: Because it is a state-level initiative that will be decided by the people and not by a vote in the U.S. Congress.

Rozental added: "To lobby in Congress is one thing, but to convince the people is something quite different, because it is illegal for a foreign government to finance a political campaign. The approval of NAFTA was not a political campaign. It was the approval of congressional legislation. According to U.S. laws, anyone who feels affected can speak out and engage in lobbying, financing, etc."

Rozental, a former ambassador and representative to several international organizations, said that because it is impossible to finance or engage in domestic affairs in the United States or the state of California, efforts are being made to convince the people of California that their approval of *Proposition 187* will hamper U.S.-Mexican relations.

They must realize this will happen not only in the abstract sense, but that this will also affect economic, business, and trade relations. If a hostile and tense climate prevails in California, Mexicans are not going to want to travel or engage in business there. Instead, they will prefer to do business elsewhere, he added.

Currently, more human and economic resources are being earmarked for consulates, and a publicity campaign is being undertaken to highlight the contribution of Mexicans in the state of California.

Rozental, who is also former assistant director of the National Bank of Mexico, said an effort is under way to convince voters in the United States that we in Mexico are very worried and that the approval of *Proposition 187* could have very direct consequences in relations, and not only in theory, but also in the specific terms of dollars and cents, which is what worries them very much.

Second, he said, we want recognition for Mexico's contribution to California. If it were not for Mexico and the Mexicans, there would be no California. It would be a completely different kind of state; there would not be as driving, and it would not be as rich or as dynamic as it now is, because it is a state that depends very much on Mexico, its economic relations, its workers, and its tourism.

"What California is today has greatly depended the Mexican people, and we want the people of California to remember this, even if they do not want to admit it," he said.

We asked Rozental why the dialogue is being held only between the Mexican Government and Washington and not between the Mexican Government and the state government of California?

Rozental responded: Because they never talk to us. There is no interest whatsoever on that side to establish a dialogue. Meanwhile, very productive talks have been held with the governments of Texas, Arizona, and New Mexico. Nevertheless, the governor of California has never wanted to talk with us. He has never asked to hold a dialogue. The only thing Mr. Pete Wilson wants is to be reelected and to use the migration issue for political purposes.

"That does a great deal of harm to relations between California and Mexico, but not to relations between the United States and Mexico," he pointed out.

When referring to support for Mexican organizations in the United States, he said the Mexican Government does not support the political organizations, because it cannot. He said this would be no different than the U.S. Government coming to support political organizations in Mexico.

El Salvador

Deputies Comment on Continued Assembly Takeover

PA2709143894 Panama City ACAN in Spanish 1213 GMT 27 Sep 94

[Text] San Salvador, 27 Sep (ACAN-EFE)—The takeover of the Salvadoran Legislative Assembly by hundreds of former soldiers who are demanding indemnities remains unresolved, following a foiled meeting between the soldiers and several ministers, who do not want to yield. Meanwhile, 22 deputies are still being detained at the Parliament building.

One of them, Rafael Machuca, of the National Conciliation Party (PCN), told ACAN-EFE he and his colleagues from different organizations were forced to spend the night in Congress, because the meeting that was going to be held with the ministers at the office of the UN Observers for El Salvador (ONUSAL) did not take place.

An official delegation consisting of at least three ministers, whose names have not been confirmed, appeared at the headquarters of ONUSAL to talk with the former soldiers. The delegation suggested that all the deputies remaining in the building be allowed to leave. This condition was not accepted by the other party.

Hours before, the former soldiers allowed several parliamentarians and about 200 workers and administrative officials to leave the Assembly, although contrary to what was announced at first, at the last minute they refused to allow a group of 22 deputies to leave, who are now considered as "detained."

Machuca explained that the four delegates of the former soldiers who had gone to the ONUSAL office came back shortly after midnight (0600 GMT) to the Assembly to inform their comrades of the derailed meeting. This caused a greater disturbance.

Saul Miron, of the Association of Demobilized Armed Forces Members (ADAFES), told ACAN-EFE that "here people are angry because there were no negotiations and we do not know what will happen."

No violent incidents, however, have been noted so far, and according to the deputy, which ACAN-EFE reporters confirmed, there is no police presence around the Assembly building which is located in the northern part of the capital.

Nevertheless, Miron said there are police officers in the parking lot.

Approximately 100 demobilized Army members and members of the defunct Salvadoran security corps wielding sticks and machetes forcefully occupied the Legislative Assembly at 1000 local (1600 GMT), and later on, that number increased to about 1,000.

The demobilized members of the Armed Forces, which were cut in half by virtue of the 1992 peace agreement between the government and the guerrillas, are demanding payment of indemnities averaging $1,450 per person.

They are also demanding a bonus for the members of the defunct Civil Defense (paramilitary forces), the immediate transfer of land to former fighters, indemnities for the administrative personnel at the garrisons, and a commission to investigate corruption in the Armed Forces.

This is the third time since 1993 that demobilized soldiers have occupied the Legislative Assembly, but it is the first time the situation has lasted more than 12 hours.

Legislative Assembly Vice President Ana Guadalupe Martinez stated the problem of demobilized individuals must be resolved by "thinking as country, as an institution, and that is why the Legislative Assembly has faced this situation responsibly."

She added she hopes that "the executive will also assume some of the responsibility so we can meet some of the demands."

The deputy for the former Farabundo Marti National Liberation Front (FMLN) remarked that some of the demobilized individuals occupied the Assembly "with enormous expectations that all their problems will be solved here."

She added that "some problems are impossible to resolve, because they not only infringe on the peace accord, but also go beyond the economic possibilities of the country."

Deputy Orlando Quinteros, also of the FMLN, expressed that in the occupation of the Parliament "there are many strange things going on." He added that "hundreds of patrolmen, civil defense members, former guards, and police officers" showed up, "and one wonders, how did these people coordinate their mobilization?"

He also said that another question is where is the state intelligence. Didn't the state intelligence learn of the mobilization and if it did, why didn't it warn (the deputies)? How did this happen?

Quinteros accused the government of acting irresponsibly for allowing the occupation and not displaying greater strength at the meeting with the demobilized individuals at the ONUSAL office.

No Accord Reached Yet

PA2709201794 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Sep 94

[Report by Douglas Mejia; from the "YSU Radio News" newscast]

[Text] Discussions between the demobilized Army soldiers and the negotiating commission in Congress are not producing any results because the soldiers say they will not leave the parliament until their requests are met. Gerson Martinez, head of the FMLN [Farabundo Marti National Liberation Front] faction and member of the negotiating commission, said that before sitting down to negotiate the demobilized soldiers must leave the Legislative Assembly.

[Begin Martinez recording] We told them that before reaching any understanding we believe it is important for these people to leave the Legislative Assembly. We may also add that some of their demands are justified. There are other demands that probably need to be studied; for example, the demand that civil defense groups should receive compensation benefits is not altogether clear. I definitely believe, however, that these people should leave the Legislative Assembly buildings now. [end recording]

After noting that no agreement had been reached, Pedro Martinez, who represents the soldiers in the negotiations, said they would not leave the Legislative Assembly under any conditions.

[Begin recording, in progress] [Pedro Martinez] ...negotiate and make progress in the process. I believe the process will deteriorate because even the members of the [words indistinct]. I believe they also have demands to make. We could take advantage of the opportunity to include them in the package. The situation is deteriorating. I would not like that to happen, but if they [words indistinct] we are going to have to do it.

[Unidentified reporter] If the situation is not resolved, the deputies will not be able to leave the Assembly.

[Pedro Martinez] [Words indistinct] the companeros are willing to show their support no matter how long it takes.

[Reporter] Is there is no agreement on any point?

[Pedro Martinez] There is no agreement. [end recording]

According to the soldiers, at least 29 deputies are being held hostage since last night. As of now, the situation has not been resolved. We cannot see how an agreement can be reached.

Calderon Sol Criticizes Occupation

PA2809045194 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Sep 94

[Report by Mario Jovel from the "Up-to-Date" newscast]

[Text] President Armando Calderon Sol criticized the violent manner in which demobilized members of the Armed Forces have occupied the Legislative Assembly. Upon returning from the United Nations, the president said there are groups among the former Army members that are demanding indemnity despite the fact they are not covered by the peace agreements:

[Begin Calderon Sol recording] There are people who are not beneficiaries of the peace agreement and are completely excluded from these peace agreement indemnities. [end recording]

This is the impression the president has of many of the demobilized who occupied the Legislative Assembly on 26 September. Among them are former Civil Defense and Municipal Patrol members. Many, in his opinion, try to use the peace agreements to destabilize the government. As far as the president is concerned, actions such as these are what cause setbacks in the agreements:

[Begin Calderon Sol recording] We cannot hold a proper dialogue with them, with those displays and attitudes of violence. This is behavior that we cannot admit and that no organized state can accept. This is a setback and an action every Salvadoran should condemn. [end recording]

The president said he met with Butrus-Ghali during his trip to the United Nations and requested an extension of the stay of ONUSAL [UN Observers for El Salvador] in the country in order to verify compliance with the peace agreements. He said the mission could stay, but with a lesser number of observers. Calderon Sol also said he took the opportunity to meet with members of the Clinton administration, such as Alexander Watson, who said despite the fact the U.S. Government intends to give more financial support to Haiti El Salvador will not be left unprotected:

[Begin Calderon Sol recording] U.S. aid for El Salvador will be maintained. In fact, we will try to have it increased, even if it is only slightly, to further consolidate democracy in our country, and the United States will not leave us unprotected without aid. [end recoding]

The president also disclosed the deficit to comply with the remaining peace agreements is not $80 million but, rather, $110 million. The UN secretary general has promised to do his best before the international community to have these funds remitted.

Demobilized Soldiers Threaten To Resist

PA2809014094 San Salvador Radio Cadena YSKL in Spanish 0015 GMT 28 Sep 94

[From the "Five Minutes of News" program]

[Text] The several hundred demobilized Salvadoran Army soldiers who have been occupying the Legislative Assembly since Monday and holding 21 deputies hostage, today warned they are ready to face the police if force is used to dislodge them.

Pedro Martinez, of the Association of Demobilized Armed Forces Members, ADEFAES, said they are prepared to face this situation, because, he said: we do not want violence, but my comrades have said that if it comes, we cannot stand idly by. He also called on other demobilized Army members to express their solidarity with their actions.

The demobilized Army members, who now number more than 1,000, are only armed with sticks and machetes, but Martinez said they can face the situation, adding that in no way would they be willing to let themselves be beaten or attacked.

Without respecting the human rights of the deputies, the demobilized Army members, who formed part of the civil defense, and some former national guardsmen, today remained entrenched in the assembly, threatening to create havoc.

The radical position adopted by some of the former civil defense members who arrived with sticks, fragmentation grenades, and machetes, does not permit the establishment of a negotiation process.

President Armando Calderon Sol has said the attitude of these people is foolish, because the Legislative Assembly has nothing to do with the peace agreements. The ARENA [Nationalist Republican Alliance] deputies said no legal grounds exist to justify the attitude of the former Army members who have been occupying the assembly since yesterday. The deputies have been unable to eat their regular meals, because the ADEFAES members are preventing the entry of food into the assembly.

17 Deputies 'Regarded as Hostages'

PA2809044994 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Sep 94

[Passages within quotation marks recorded]

[Text] The Legislative Assembly building is still being occupied by demobilized Armed Forces members for the second consecutive day. The former Armed Forces members and the deputies have not succeeded in striking an agreement to end this tense situation. The deputies who are being held hostage say they cannot do much to meet the demobilized men's demands. They demand reincorporation programs for former civil defense and municipal patrol members.

Employees have waited outside the assembly for a long time expecting a favorable shift in the negotiations, but nothing has happened, and the 17 deputies, regarded as hostages, have been unable to leave.

[Unidentified speaker] "This is an indication that they are not willing to resolve the problem and fulfill the peace agreements. All of this is part of the fulfillment of the peace agreement. We too have serious problems regarding land, loans, etc."

The demobilized soldiers and deputies have been meeting all day but no subtantial progress has been made. It has been necessary to eat informally. [words indistinct]. The impasse in the negotiations and the disagreement among the FMLN deputies are evident. The ERP [People's Revolutionary Army], regarded as center-leftist, directly accused the FPL [People's Liberation Front] of inciting or of weakly supporting the demobilized soidiers. Apparently, this complicated matters further.

[Unidentified speaker] "The differences within the group of demobilized soldiers plus the mistakes made by the government and ARENA [Nationalist Republican Alliance], which maliciously interpreted the agreements, are very risky."

[Second unidentified speaker] "The ERP member accused FMLN of backing this movement. He never contributed anything positive in resolving the problem. He has only complicated it."

The possibility of the use of force can be observed here at the Assembly. In a quick visit to the Assembly, however, Human Rights Ombudsman Carlos Molina Fonseca ruled out any use violence.

[Molina] "The situation is very special and delicate. We hope it is settled with a lot of common sense, because it entails a violation of the law.

[Reporter] Do you rule out the use of force?

[Molina] Yes. We must try to resolve the situation with common sense."

The demobilized people seem to be prepared for a long period of struggle. They received a certain amount of food donated by the National Debate Permanent Committee. They said they are playing their last trump card in a gambit that could cost them their lives or at least their freedom because they are violating the Constitution.

Guatemala

Defense Minister: Participation in Haiti Unprecedented

PA2709130794 Guatemala City SIGLO VEINTIUNO in Spanish 24 Sep 94 p 2

[Text] Defense Minister Mario Enriquez described as historic the participation of Guatemalan forces in Haiti. It constitutes an unprecedented action in the 121 years of the Armed Forces' existence.

Enriquez believes that such an invitation should be considered as a tacit acknowledgment of the Army's evolution toward modernization in Guatemala.

Enriquez said that the UN invitation to participate in military operations in Haiti does not come as a surprise to the Army, despite the serious charges made against this institution before that international forum during the past decade.

Enriquez emphasized that it will be a very good experience for officers and non-commissioned officers, as well as for the soldiers participating in that humanitarian action.

The two officers who will be going as observers were identified by the minister and the Army's Information and Press Department as Major Paiz Prem and Major Cambara, while Lieutenant Colonel Illescas and Major Arriaza will command the force.

Enriquez pointed out that the creation of this multinational force is a positive move following the end of the Cold War, it will deter further deaths in the world.

He recalled that in 1967 or 1968, Guatemala was supposed to go to the Dominican Republic in a similar action (the U.S. invasion of Dominican Republic), but because that request never materialized, the current invitation is a truly unprecedented circumstance.

Government Blames URNG for Terrorist Acts

PA2709125194 Guatemala City PRENSA LIBRE in Spanish 24 Sep 94 p 3

[Text] The Guatemalan Government yesterday claimed that the Guatemalan National Revolutionary Unity, URNG, was responsible for the wave of terrorism unleashed Thursday night that left one child dead and caused property damage.

President Ramiro de Leon Carpio condemned the death of the minor—Marcos Fidel Quisquinay—who died when a bomb hidden in a food container that he was given exploded. "It was a savage and irrational act," the president said.

He added that the explosion of other devices in various parts of the city is part of a destabilization plan that has not been ruled out as coming from groups that are out of URNG control.

Government Minister Danilo Parrinello Blanco blamed the events "on terrorist groups of the worst kind who are bent on destabilizing the country, even though innocent people die, including children."

Parrinello Blanco blamed the wave of terrorism on the URNG and said that no other group has the ability to make time bombs and work in synchronization as those responsible for placing TNT bombs do.

Regarding the unidentified person who fired indiscriminately on several pedestrians near the PRENSA LIBRE building and wounded two people, he said that the owner of the vehicle with license plates P-293597 is being investigated. More information will be available in the next few hours.

Honduras

Reina Criticizes U.S. Policy on Cuba in UN Address

PA2709174894 Madrid EFE in Spanish 1601 GMT 27 Sep 94

[Text] United Nations, 27 Sep (EFE)—Clearly referring to the United States, Honduran President Carlos Roberto Reina today at the United Nations said "all of those who helped us destroy ourselves" in Central America now have a "moral commitment to contribute to our reconstruction."

Likewise, they must help "provide compensation for the setback the region suffered as a result of two decades of crisis," Reina emphasized on the second day of the 49th UN General Assembly.

In the past decade, the United States financed and supported the "contra" war against the Sandinist government in Nicaragua, while it provided military support for the Salvadoran Government's struggle against the leftist guerrillas. Central America is "still hurting" from the harsh blows of two decades of bloodshed, Reina pointed out.

"We Central Americans have paid for the Cold War with 250,000 deaths, and this is an enormous and shocking price. Billions of dollars were consumed by the destruction and military confrontations that pitted brothers against brothers. Unfortunately, very few resources are now being invested to build new democracies and our economies," he added.

"There was much assistance in the era that recently ended, but we see very little assistance for the era in which we are now living," the Honduran president said, urging the international community to show its solidarity at the "opportune moment" offered by the Conference on Peace and Development scheduled for late October in Tegucigalpa.

"It would be a grave mistake if the world that offered a hand in difficult moments now does not help us cash in our peace dividends," the Central American leader said.

Just like the other Latin American leaders who preceded him on Monday at the United Nations, the Honduran president criticized Washington's policy on Cuba, including the economic embargo on the island imposed more than 30 years ago.

Honduras, he said, "agrees with the overall goal of redistributing democracy" in Cuba "within the framework of the inter-American system," but it feels that U.S. policy "is not suitable with the interest of surpassing criticism and severe political, economic, and social conditions prevailing in that sister nation." In view of this, "we voice our hopes that the dialogue between the parties will prevail in that conflict," he pointed out.

In discussing the Haitian crisis, in which Honduras supports a "peaceful resolution," Reina stated that "within its proper limitations" his country is willing to participate in a "commission" that the United Nations would organize to preserve peace once democracy is established in that Caribbean country.

Meanwhile, he advised that if "the proper amount of humanism and morality" is not instilled into the new world economic order that is arising, the already existing disparity between poor and rich nations could widen."

Reina added, "Today, more than ever before, justice in the South is a condition necessary for peace in the North," adding that it is "imperative" to have a new world order of "more just and equitable" changes.

With respect to his country, where he was sworn in as president more than eight months ago, Reina said: "We are preparing it for the leviathan struggle against corruption, the harsh battle against poverty, and the war against illiteracy, as well as to help stabilize the economy and protect the environment." He explained he has launched a "moral revolution" to reorganize the state and to change the country in a peaceful and democratic manner.

Nicaragua

Former Sandinist Soldiers End Venezuelan Embassy Takeover

PA2709133094 Panama City ACAN in Spanish 1239 GMT 27 Sep 94

[Text] Managua, 27 Sep (ACAN-EFE)—Official sources have reported that the occupation of the Venezuelan Embassy in Managua by former Sandinist soldiers ended just before midnight. The soldiers were demanding economic compensation from the Nicaraguan Government.

The former Government Ministry officials left the diplomatic seat in exchange for a commitment from the government to negotiate their demands at a venue outside the South American diplomatic mission.

Initially, reports said there were about 40 people occupying the building. It was later learned that there were in fact only 22.

The former soldiers were taken to the offices of the International Commission of Support and Verification and the Nicaraguan Human Rights Center in Managua. Under the conditions of the agreement, Nicaraguan Government officials will arrive at these two organizations to open talks. The eight-hour occupation of the Venezuelan diplomatic seat ended without incident, but under a somewhat tense atmosphere.

Daniel Ortega Not To Take Up Legislative Seat

PA2809043094 Managua BARRICADA in Spanish 27 Sep 94 pp 1, 5

[Report by Jorge Katin]

[Text] Daniel Ortega, FSLN [Sandinist National Liberation Front] secretary general and National Assembly deputy, will not take up his legislative seat, despite having informed the directors that he would, according to statements by Bayardo Arce, who is also a member of the FSLN National Directorate.

Yesterday, Ortega presided over the meeting between the Sandinist board and the FSLN's executive directorate wing, but topics related to resuming legislative work as well as leading the wing were not discussed.

"We have party tasks to fulfill, and Ortega, as head of the National Directorate? has to spend more time discussing in-depth problems, so do not expect Daniel tomorrow (today)" replied Arce when asked if Ortega would take up his legislative seat.

The directorate met with the wing leaders for four hours, but the issue of the bloc leadership was not mentioned by any of the participants, Dora Maria Tellez said. She was elected to head the Legislative Assembly three weeks ago.

Several Sandinist leaders requested Commander Ortega the week before not to take up his seat until negotiations ended, because to do so would "make the bloc division official."

According to a source within the Sandinist bloc, Deputy Domingo Sanchez told Ortega: "Do not go, commander, those who call themselves your friends railroaded you into the decision to lead the bloc."

They Agree to Two Meetings

Commander Arce explained that he himself suggested to Ortega not to attend parliament, at least for the time being, in view of the fact that this week, the Legislative Assembly will not work regularly because most of the Board of Directors are out of the country, and next week they will discuss reforms.

"He has already sent his entry letter, and whether he comes or not is his decision," Dora Maria Tellez said.

During yesterday's meeting, two agreements were reached. The first is to hold a new meeting on Friday to discuss in detail the topic of constitutional reforms.

The property draft bill will be fine-tuned.

The other agreement is a second meeting, which will be held on Thursday, and the topic will be to fine-tune the draft bill dealing with the Property Law, which according to Arce, "must be presented this year."

"We are attempting to discuss definite topics, under the premise that real unity is unity in action... Now, if they want to discuss problems to do with the FSLN's political division, one would need to search for a mechanism that brings together the main contending forces; in other words, the Democratic Left and the Renewal Movement, to seek a consensus on the Sandinist crisis," explained Tellez.

Panama

Normalization of Ties With Haiti Expected; No Aid Yet

PA2809015894 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Sep 94

[Report by Alexandra Ciniglio]

[Text] Although Panama expects to normalize diplomatic relations with Haiti, an agreement to give Haiti humanitarian aid has not yet been signed with the United Nations.

Diplomatic and economic relations with Haiti should be normalized. Appointing an ambassador to Haiti seems to be the first step in this direction.

[Begin acting Foreign Minister Omar Jaen recording, identified by caption] As part of normalizing relations with Haiti, Panama has requested from the legal Haitian Government approval for the appointment of a Panamanian ambassador. [end recording]

The name of the appointed ambassador has already been sent to Haiti, but it will not be announced until the Haitian Government accepts it. The work the new ambassador is to carry out in Haiti includes coordinating actions so commercial flights between the two countries can be resumed. The procedures can take some time, however, because Compania Panamena de Aviacion [COPA] has not received yet any reports.

[Begin COPA manager Pedro Heilbron recording, identified by caption] Haiti was a relatively profitable route, although we flew there only twice a week. Nevertheless, the interruption was to the detriment of COPA. We think we stand a good chance of resuming operations to the country if the embargo is lifted at this time. The high season for Haiti is November and December. In addition, most of what little they buy, they buy in Panama. [end recording]

An agreement for Panama to participate in the humanitarian aid program for the Haitian people, a program financed by the United Nations, is expected to be signed by the Foreign Ministry.

[Begin international health official Luis Onofre de las Casas recording, identified by capiton] Doctors, dentists, lab technicians, nurses, auxiliaries, and a few people who will work as sanitation engineers or technicians have been selected. [end recording]

Although Panama is prepared, official sources told this station that Panama will not participate in the international mission, because it is more costly for the United Nations to pay in dollars. These are only speculations, however. For the time being, it is necessary to wait for the foreign minister to return from the UN meeting, because Panamanian-Haitian relations will surely be defined there.

Canal Commission Sends Solicitor General Letter

PA2809034194 Panama City EL SIGLO in Spanish 27 Sep 94 p 2

[Text of letter to Solicitor General Donatilo Ballesteros from Ricardo Gonzalez de Mena, general coordinator of the Presidential Commission for Canal Affairs, written in Panama City on 23 September]

[Text] Donatilo Ballesteros, Solicitor General, Panama City. Dear Solicitor Ballesteros:

I read with great interest in the daily LA PRENSA your statements on the new "Constitutional Title on the Canal."

Several reasons have moved our Presidential Commission and the executive and legislative branches to raise the administration of the Panama Canal to the constitutional level. Among some of the reasons are:

1. The constitutional rulings provide greater stability than a law subject to the arbitration of the Legislative Assembly. What stability would we be providing the administration of the Canal through a law if its fundamental aspects can be changed by another law of equal status and if it can even be repealed, as occurred with the defunct 1978 Canal Authority created by Law 66 of 1978 and subsequently repealed by Law 19 of 1983. What permanency would we give the Canal if its exclusive powers of "administration, operation, conservation, maintenance, and modernization," can be removed by law. These are indispensable and inherent requirements for its efficient operation. How could we not raise the canal issue to the constitutional level if we have inserted in the Constitution such essential aspects as the University of Panama? We believe the Panama Canal has been a cornerstone in the historical struggles of the isthmus, in the fundamental vertex of Panama's total economy and an acknowledged international public service.

2. The Canal company has been managed for 80 years with a certain level of efficiency. This management is due to a operational system quite different from that regulating Panamanian entities. The extensive and voluminous federal regulations orienting the current agency fill up more than one cargo container. If we would like to insert these operational norms of the Canal through a regular law, we would be openly acting against the Constitution. How could we operate the Canal without counting on minimum administrative regulations?

Mr. Solicitor General, it would seem wiser, as was provided for in the Constitutional Title for the Legislative Assembly, to issue the corresponding "framework law" and for the Canal body to make the necessary regulations subject to approval by the cabinet.

3. Given its characteristics of uninterrupted public service, the volume and nature of the financial activities, the Canal could never be subject to the Comptroller General Office's prior control as provided for by the Constitution. Panamanian administration will also require an equal level of financial flexibility, just as the Federal Agency has; this is why the control of the Comptroller General Office should be ensuing, as Legislative Act No. 1 provides.

4. How can it be assured the nation will continue to receive at the least the equal rights we currently receive if there were international agreements that could limit

these rights after 1999? I am certain you know the Supreme Court of Justice has upheld in various rulings that a constitutional ruling prevails over international treaties. We have established in the Constitutional Title fundamental aspects guaranteeing that the nation will not only continue to receive revenues from the transisthmian route but will adapt the necessary conditions to serve Panama's best interests. This, Mr. Solicitor General, could never be done through a law.

5. All the labor relations with the current Federal Agency employees will be concluded on 31 December 1999, given the provisions of the Panama Canal Treaty. A total of 40 percent of these employees have a right to retire, and the other percentage will have a right to similar benefits. A total of 89 percent of the current employees are Panamanian, a number which will obviously increase in the coming years. How can we guarantee those employees they will continue to receive the working conditions they currently have at the least after 1999? How can we guarantee the nation we will have the personnel necessary to operate the Canal at 1201 on 31 December 1999?

We must take into account that the waterway works like a machine and that it requires skill, knowledge, capability, and human experience among many things. The Constitutional Title provides the necessary guarantees to count on those employees we need for an uninterrupted operation. Labor stability is based on a system of merits and opportunities for Canal employees.

6. The Canal is a company. It provides an international service for maritime trade. It is not a monopoly, because human initiative and creativity generate alternate ways to handle cargo more and more. Thus, we see the speedy and growing increase in dry canals in the United States. Ship owners plan their routes five years in advance, and PANAMAX boats are constructed years ahead. If the Republic of Panama does not send as of now clear signals to ship owners and to the international community on the seriousness of its commitment, we can be certain they will continue looking for alternate routes that are more secure and profitable.

The Constitutional Title shall be the first signal to the international community on what we intend to do on the Canal issue. Its approval shall be a positive message that the nation is willing to seriously meet the challenge. If it is rejected, the uncertainties will continue on such an important issue for Panama's future, leading to the loss of users, employees, and international respect.

Although I have not exhausted the arguments over Legislative Act No. 1, I have attempted to establish certain ideas that have led us, the 92 ad honorem members of the Presidential Commission, to foster this initiative. We are under your orders and those of the nation to continue providing information and analysis on the Canal issue, as we have been doing for the past three years in various forums and places with the sole goal of serving the best interests of the Republic of Panama.

Sincerely, Presidential Commission for Canal Matters
Ricardo Gonzalez Mena, General Coordinator
cc: Dr. Ernesto Perez Balladres, President of the Republic
Legislator Balbina Herrera Arauz, President of the Legislative Assembly.
Gabriel Lewis Galindo, foreign minister
Gilberto Guardia, Panama Canal Commission Administrator
The media

Argentina

Menem Promises Support for Armenian Request for UN Troops

PY2709130594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1937 GMT 26 Sep 94

[Article by "special" NOTICIAS ARGENTINAS correspondent]

[Text] New York, 26 Sep (NA)—Argentina is willing to support Armenia's request that the United Nations send a strong multinational peace force to the conflict in the Nagorno-Karabakh zone in the middle of Azeri territory.

President Carlos Menem today promised his Armenian colleague, Levon Ter-Petrosyan, support for the request at the international level and a contribution of troops if the United Nations decides to send a detachment of "blue helmets" to the region.

This topic, which was discussed today by Menem and Ter-Petrosyan, will be discussed on 27 September by U.S. President Bill Clinton and Russian President Boris Yeltsin.

Ter-Petrosyan today expressed to Menem his country's "gratitude" for the "political and financial support" of the Argentine Government, which granted Armenia a $10 million loan through the BICE [Bank of Investment and Foreign Trade].

The Argentine president promised to visit Armenia during the second half of 1995, and to try to increase binational trade ties, which until now have not been very great.

Commenting on the meeting, Arnoldo Listre, Argentine ambassador to Russia and concurrent ambassador to Armenia, highlighted the fact that the main school in Yerevan, the Armenian capital, is called "Republica Argentina," in briefly outlining the friendly ties that unite the two countries.

Regarding sending a multinational force to Nagorno-Karabakh, an Armenian enclave in Azeri territory, Listre highlighted the fact that the parties in conflict have achieved a peace agreement without international mediation, but want the blue helmets in order to guarantee the cease-fire.

"In view of Argentina's experience in these matters," Ter-Petrosyan asked Menem for Argentine troops to join the multinational force if the United Nations approves the request, the diplomat said.

Menem Speaks About Human Rights Record

PY2709225294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1058 GMT 27 Sep 94

[Excerpts] New York, 27 Sep (NA)—President Carlos Menem said that Argentina and the United States "have similar political and economic structures," and "can feel themselves to be partners and allies in their efforts to build an increasingly better world."

Menem said that "there are no sounder bases for friendship than to share essential principles. And when those principles have [illegible] do with people's essence and dignity, we can be sure those fraternal links will be lasting."

The Argentine president spoke at the Appeal of Conscience Foundation yesterday. He made a summary of what has happened in the area of human rights in Argentina, and indirectly supported the administration of his predecessor, Raul Alfonsin.

"From the day democracy was reestablished on 10 December 1983, Argentina's constitutional governments have had a precise goal: to make sure that human rights are respected in the country," the president said.

Menem received homage for his human rights policies. He said: "Argentina committed itself through all international and regional treaties, accepted the jurisdiction of all control organizations established by those treaties, and also accepted the jurisdiction of the Inter-American Court on Human Rights." [passage omitted]

Menem stressed the "religious freedom" existing in Argentina. "Argentines are today the result of the peaceful coexistence of the Italian, Spanish, French, and British national communities, among others, with religious communities such as Catholic, Jewish, Muslim, diverse Protestant churches, Jehovah's Witnesses, and the native descendants of those who populated our land," Menem said. [passage omitted]

Menem recognized the presence of "forces determined to stop and deny progress."

"I refer especially to international terrorism and racism, two particularly cruel scourges that joined forces on 18 July to perpetrate the perverse attack against the Argentine-Israeli Mutual Association building," Menem stressed.

Menem then reiterated the government's "firm determination" "to clarify the incident and find and punish those responsible." [passage omitted]

Menem Addresses 49th UN General Assembly in New York

PY2809034394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2028 GMT 27 Sep 94

[Report by "special correspondent" Osvaldo Marzullo]

[Text] New York, 27 Sep (NA)—President Carlos Menem today asked the United Nations to play "a leading and more active role" in the struggle against terrorism. He proposed the implementation of "specific multilateral mechanisms which, observing the immunities and privileges established in the Vienna Convention, will prevent and punish the abuse" of diplomatic advantages.

Menem described as "unacceptable" the existence of "governments that encourage terrorism." He noted: "Sovereignty must not be used as a cover to help terrorist organizations." Addressing the 49th UN General Assembly today, the Argentine president emphasized: "If all we heads of state reached an agreement we would end this true scourge." Menem emphasized: "There will be no peace or justice if terrorism continues having political, cultural, or economic sponsors protecting it."

Upon encouraging the implementation of mechanisms to prevent and punish the "abuse" of advantages established in the Vienna Convention, the Argentine president stressed: "We cannot rule out the possibility that these immunities and privileges were abused during the bombings carried out in Buenos Aires." Menem also asked for "combined actions to struggle against the terrorism that took place in Buenos Aires, New York, London, and Panama."

Menem noted: "It is imperative that the United Nations play a leading and more active role, coordinating a global effort to effectively struggle against this scourge." Menem confirmed an Argentine "recommendation" for the United Nations to have "a unit assigned to handle the issue of international terrorism."

Later in his address, delivered after that of Uruguayan President Luis Lacalle, Menem said: "The international outlook currently offers us lights and shadows, a combination of encouraging signs of convergence and other signs apparently indicating lingering authoritarianism and extremism which, unavoidably, breed violence."

Menem expressed the Argentine Government's satisfaction over "the continuity and enhancement of the peace agreements between Israel and the Palestine Liberation Organization," hailing the fact that "after nearly 30 years, the Palestinian nation again governs its destiny in its own territory in Gaza and Jericho."

Menem also hailed the agreements reached between Israel and Jordan. He stressed that the peace process in the Middle East "unmistakeably" represents "the final acceptance of the State of Israel by the entire international community."

In his address Menem also discussed the situations in the Balkans, Rwanda, El Salvador, Cuba, and Haiti. In discussing Haiti, he commended former Foreign Minister Dante Caputo's work as UN representative. Menem described Caputo's work as "significant and intelligent."

The president also used the opportunity to once again reaffirm Argentina's sovereign rights over the Malvinas Islands and to condemn abortion. Menem noted: "Population policies cannot be directed at slashing lives, but at gaining access to development benefits for the population."

Menem also specifically addressed the issue of corruption, "a worrisome challenge that jeopardizes democracy." Menem warned: "This phenomenon is eroding the people's credibility and trust in the institutions and in their leaders." Menem said: "The Argentine Government is engaged in a struggle without respite against corruption, placing special emphasis on the removal of the command state [dirigismo estatal] and the lack of honesty in state administration, which is the breeding ground for corruption."

Concerning the international economic order, Menem described as "positive" the results achieved in the Uruguay Round of the GATT talks, noting that "it will allow us to cope more effectively with the problems of unemployment and wealth distribution." Menem indicated: "Achieving a consensus among American nations for declaring our continent a zone free from subsidies and unfair practices for agricultural products represents a goal for Argentine policy."

After confirming his proposal of establishing UN "white helmets" to struggle against poverty, Menem urged the United Nations "to resolve its financial pressures and continue working on a review of a possible change in the Security Council's current structure." Concerning this point, which was thoroughly reviewed during his address, Menem noted that the Argentine stand is that "any increase in the number of Security Council members must be prudent and moderate," thus "guaranteeing the greatest effectiveness possible." Menem noted: "Any increase should not cause unjustified imbalances in the representation of various world regions." Menem said: "For the Argentine Republic, the principle of sovereign equality of the member states must always be respected." He proposed "a limited increase in the number of nonpermanent members and, as much as possible, removal of the restrictions on their reelection."

In conclusion, Menem proposed to optimize "the collective security system and the mechanisms of economic and social cooperation." He trusted that within the next 50 years of UN activities "we will have a much better world, worth living in for our children and the children of our children."

After delivering his speech Menem greeted the UN General Assembly officials and held protocol talks with UN Secretary General Butrus Butrus-Ghali.

While it was raining hard in New York, Menem returned to the Waldorf Hotel to participate in a luncheon in his honor. The luncheon began quite late as the Argentine president had delivered his speech at the United Nations with considerable delay.

Bolivia

Vice President, Foreign Minister on UCS Support

PY2709000294 La Paz Television Nacional Network in Spanish 1700 GMT 23 Sep 94

[Text] Vice President Victor Hugo Cardenas and Foreign Minister Antonio Aranibar, who is also the president of the Free Bolivia Movement [MBL], talked this morning about the situation in Congress after the Solidarity Civic Union [UCS] decided to leave the government coalition.

[Begin recording] [Unidentified reporter] According to Vice President Victor Hugo Cardenas, who is also president of Congress, the rupture with the UCS will not entail significant changes in Congress, as he believes UCS deputies will act with responsibility.

[Cardenas] I know the UCS members are responsible congressmen, and I am sure they will continue their traditional attitude of responsibility by supporting the structural reform measures in order to contribute to the reforms being carried out.

[Reporter] The Senate president hinted that on 26 September the government may have more than 65 deputies in the Chamber. Does this mean that some UCS deputies may support the MNR [Nationalist Revolutionary Movement]?

[Cardenas] I do not know. Senate President Juan Carlos Duran probably knows what he is talking about. One of the things at which I am not very good is in predicting the future. [end recording]

Vice President Cadenas believes there is no reason to try to have a confrontation between two blocs, government and opposition, because congressional activities are now broader and more fluid. He said it should be recalled that many reform laws were approved with the support of the opposition. Cardenas did not want to make any comments about UCS leader Max Fernandez. Foreign Minister Antonio Aranibar, who heads the MBL, which is also in the government coalition, did not want to comment on Max Fernandez, either. Aranibar believes no speculation should be made about whether the government will have a majority in Congress.

[Begin Aranibar recording] Reporters have reason to be concerned about how the government will maintain a majority if the number of deputies is an even 65 for each side. I believe the answer to this concern can be found in the UCS decision itself that was made yesterday. There is an open attitude in the UCS in the sense that the UCS would support what is good for the country. [end recording]

Aranibar concluded by saying that this attitude is expected from all congressmen, whether they are from the government or the opposition.

Economic Accomplishments Summarized for 1993-94

94SM0464A La Paz HOY in Spanish 6 Aug 94 p 30

[Report by Martha Otazu Salazar]

[Text] Many elements come together when a country's economy is evaluated. We include some of them here, in an alphabetical listing, as a sort of summary of what has happened on the Bolivian economic scene in the year since Gonzalo Sanchez de Lozada took office.

Banks. Within the national banking system, seven banks account for 52 percent of the capital, 63 percent of the assets, and 64 percent of the liabilities. The largest banks are: Santa Cruz, Boliviano Americano, and Nacional de Bolivia.

The best banks, in terms of solvency, liquidity, and profitability, are: Economico (among small banks), Industrial, S.A. (medium), and Santa Cruz (large).

Boliviano. In the first half of 1994, the boliviano depreciated by 4.24 percent, which was more than expected, considering the average exchange rate projected by the government.[1]

Capitalization. The government announced that the National Electric Power Enterprise (Ende) will be capitalized until 31 December, for which purpose it is being divided into four parts. The National Telecommunications Enterprise (Entel) will be capitalized until 28 February, and the remaining enterprises—Bolivian Government Oil Deposits (YPFB), the National Railway Enterprise (Enfe), Lloyd Bolivian Airline (LAB), and the National Smelting Enterprise (Enaf)—will be capitalized until June 1995.

Furthermore, the government expects to privatize 75 public enterprises during 1995.[1]

Smuggling. According to the National Chamber of Industry, smuggling resulted in the movement of $800 million, "similar to the total amount of production of the nation's industries." (Bolivian Radio Schools, Erbol)

Growth. The growth of the economy in the second half of Gonzalo Sanchez de Lozada's first year in office declined from the first half's 4 percent to 3 percent, "and surveys of near-term expectations in the industrial sector suggest that the growth rate for the second half may be even lower."[1]

Fiscal Credit. There was a contraction of fiscal credit due to the increase in the floating public debt, part of which corresponds to companies with contracts for public works and petroleum industry projects.[1]

Budget Deficit. The budget deficit, according to final figures on the implementation of the budget, was 6.6 percent in 1993, compared to a budgetary target of 3.5 percent. "The failure to meet this target can be explained, to a great extent, by the fact that the tax collection objectives were too optimistic, in conjunction with a spending budget that was inflexible on certain items, reflecting regional pressure and political commitments in the Honorable National Congress."[1]

Economic Slowdown. This was a consequence of the contraction in liquidity in the system, the increase in the floating debt, the decline in revenues from the sale of hydrocarbons on the domestic market, and low levels of execution.[1]

Debt. As far as debt servicing is concerned, more foreign debt (257.063 billion bolivianos, 143 billion more than last year) and less domestic debt (205.667 billion bolivianos, 66 million less than in 1993) has been paid than in the first half of 1993.

The domestic debt increased due to the issuance of Treasury Bills representing a total of 230 million bolivianos, and this explains part of the monetary contraction, since private savings were used to finance the government. The result is "the creation of a future obligation that at some point will require more tax efficiency and/or the eventual adjustment of tax rates."[1]

Devaluation. The cumulative devaluation as of June was 4.24 percent, more than that recorded for the same period in 1993 (4.15 percent). (Moreno Munoz)

Dollar. The decline in the dollar, first from 4.67 to 4.66 and then to 4.65 a few days later, has been one means of "restoring the use of the national currency," according to the Central Bank.

Dollarization. The dollarization process of the last few years has been on the rise. As of December 1993, 72 percent of demand deposits, 91 percent of savings bank deposits, and 91 percent of time deposits (Dpf) were in foreign currencies. This trend has held steady in the first six months of 1994.

Treasury Outlays. With regard to spending, the two most important accounts are spending on salaries, which accounts for 35.38 percent of total outlays, and the domestic and foreign debt service, which accounts for 22.56 percent.

Exports. Revenues from exports in the first half of the year have been similar to those recorded for the same period of the previous year, reaching a total of $429.4 million (Bolivian Central Bank, BCB).

Public sector exports have shown a downward trend, while the private sector has experienced some growth, attributable to the performance of nontraditional exports (the most dynamic sector), and that of the Inti Raymi company.[1]

Central Government. The number of employees of the central government increased from 159,945 to 161,053 between December 1993 and June 1994.

Treasury Revenues. Revenues rose by 130 million bolivianos compared to the same period in 1993 (8.5 percent).

There was a decline in revenues generated by hydrocarbon sales, on both the domestic and the foreign markets. On the domestic market, there was a drop of approximately 1.7 billion bolivianos, which can be explained by the decrease in fuel consumption on the domestic market and/or a significant increase in diesel imports, which have almost totally replaced YPFB's diesel sales.

The fall in revenues from the foreign market can be attributed to the decline in the sales price of gas purchased by Argentina. In the first six months of the year, this decline has meant losses of about 75 million bolivianos.

Inflation. In 1993, the inflation rate of 9.31 percent reflected a high level of confidence by economic agents in the management of the country's economy.[2]

Cumulative inflation for the first half of the year was 2.9 percent, "below the target set by the government."[1] By July, the cumulative inflation rate was 3.86 percent. (National Institute of Statistics, INE)

Imports. The outflow of foreign exchange has been reduced considerably since the first six months of last year, from $370 million to $269 million.

Money Laundering. Two seminars on this topic revealed the lack of enforcement measures and the need for regulation. It cannot be determined how much money is being laundered through the country's banks, but experts estimate that smuggling and sectors of the economy such as construction are also conducive to this illicit activity.

Exchange-Rate Policy. "It would appear that the administration's exchange-rate policy during its first year in office was oriented toward encouraging the overvaluation of the currency. The objective is reportedly to implement in the second half of the year an exchange-rate policy oriented toward the appreciation of the boliviano, inducing the public to give preference to the national currency."[1]

According to the latest informational bulletin issued by the Bolivian Central Bank, the trend toward a more flexible exchange-rate system will become even more accentuated, "so that the benefits of this exchange-rate system can be spread throughout the economy," thus preventing dollarization and high inflation rates.

Tax Revenues. Actual collections were approximately 3.57 percent during this six-month period.[3]

The General Customs Office improved its collection rate in 1993 by 3.85 percent over the 1992 rate.

As of July 1994, Customs had collected 504.5 million bolivianos.

Under the Financial Act of 1994, National Customs is supposed to increase its collections by 20.36 percent in boliviano terms and by 11.90 percent in dollar terms, that is, from $594.88 million to $651.52 million (or from 325.5 million to 391.9 million bolivianos).

As for Internal Revenues, collections for the first six months totaled 1.3437 billion bolivianos, 4.6 percent, which is more than the budget called for in 1994 (1.2846 billion bolivianos). (DGII)

Banking System. The banking system attracted approximately $3.27 billion in deposits, an increase of approximately $803 million over the 1992 figure.

Ninety-three percent of the deposits were made by the public, the Central Bank, and financial institutions; the remainder came from partner contributions.

The preference for time deposits and dollar deposits remained constant.

GDP. The value of the GDP [gross domestic product] in 1993 was $6.019 billion, reflecting an annual growth rate of 3.2 percent.

Footnotes

1. Evaluation of the First Six Months of 1994. Muller y Asociados.

2. 1993 Economic Evaluation. Muller y Asociados.

Footnote 3 not published.

Businessmen Evaluate Economic Development

94SM0464B La Paz PRESENCIA in Spanish 3 Aug 94 p 12

[Text] The businessmen of Santa Cruz have cast aside their doubts about the country's economic growth during the first half of this year. Although the Confederation of Private Businessmen of Bolivia has insisted that the Bolivian economy is stagnant and has been slow to revive, the Federation of Private Businessmen of Santa Cruz has dispelled "the doubts raised by some politicians, proving that there is no recession, just moderate growth which, though slightly lower than that of the same period last year (first six months), will translate into the eighth straight year of growth in our economy."

The proof lies in the evaluation of the first six months of the year and is based on official indicators, such as the inflation rate (2.90 percent), devaluation (4.24 percent), growth (4.10 percent as of May), public investment ($91.6 million as of March), private investment ($101.8 million as of March), net reserves ($442.7 million), bank deposits ($2.05899 billion), and bank investments ($2.49118 billion).

In view of the moderate GDP [gross domestic product] growth of 4.1 percent for the period in question, the business sector in the eastern part of the country believes "it is not enough to achieve reactivation."

Looking at the restrictions and conditions imposed on economic growth levels, businessmen predict that "the Bolivian economy cannot logically grow by more than 3.5 to 4 percent, so we must wait another year to see truly significant growth figures. This means that we will fall even further behind on economic growth."

Confidence and Stability

The important assessment document, which reflects a detailed study of macroeconomic indicators and an attempt at analysis and interpretation, concludes that Bolivia "has definitely set out on the path to stability, with a cumulative inflation rate (2.90 percent) that holds out the promise of a relatively low loss of buying power for the boliviano by the end of the year. We think this will translate into an inflation rate of about 6.5 percent." Santa Cruz businessmen believe that the low rate of cumulative devaluation, the high level of net international reserves, and the growth of deposits and investments in the national banking system "are factors that boost confidence among investors and economic agents."

The analysts of the eastern business sector, like their counterparts in La Paz, emphasize the large deficit reported by the nation's general treasury, which must be corrected to prevent any impediment to the development of economic activities for the remainder of the fiscal year. For this very reason, they point out that "it is imperative that a rigid program of fiscal austerity be applied in order to place the deficit within acceptable and reasonable limits."

Errors To Be Corrected

Aside from the budget deficit, which is a threat hanging over us like the sword of Damocles, the six-month business evaluation also points out other errors that must be corrected: the trade deficit and low levels of investment, especially in the private sector. The federation does not just point out errors, but also suggests possible solutions to be implemented in the future, the most important being the expansion of the current economic model, "with a strategy capable of making our country competitive so that it can be put on the road to development."

Slow Capitalization

To bring about this objective, the report calls for a "rapid and efficient" process of capitalizing public enterprises, accompanied by the deregulation of markets.

In this regard, it notes that the vaunted capitalization process is moving slowly. No studies are known to have been done, for example, on the appraisal value of companies subject to capitalization. It would also be a good idea to select partners not by issuing invitations to certain companies, but by allowing any company interested in investing to participate freely in the process.

"Nor is it clear," adds the report, "by what mechanism shares will be transferred to Bolivians of legal age, because it appears that these shares would be deposited in individual retirement accounts. In practice, this means that the population would not be able to exercise proprietary rights over these shares." It recommends that this apparent ambiguity be resolved by "setting up the capitalization process in such a way that the shares pass into the hands of Bolivians, who would be allowed to trade them on the stock market, rather than making the Bolivian people keep them in pension funds until they retire."

Privatization and Free Competition

Another conclusion reached by the Santa Cruz businessmen, in connection with capitalization, is that "it is urgent that monopolistic markets be deregulated, especially those in which the companies to be capitalized are involved." They also believe that, from the point of view of the Santa Cruz economy, antitrust legislation is urgently needed "in order to guarantee free competition as the engine that will allow us to achieve competitive advantages."

The concerns and suggestions continue. Regarding the halt of the privatization process begun by the previous administration: "There is no reason to maintain the bureaucratic structure of the other state enterprises, which with privatization would begin to show the initial results of a real scaling back of government involvement, with all of the positive implications that entails."

Finally, by way of evaluation, the Santa Cruz businessmen state that it is "inadmissible for a government determined to make profound changes in the country to decline to replace the IRPE [expansion unknown] capital-gains tax, because that is its strict responsibility. If it persists in that position (of not replacing the IRPE), it would be more honest for the current administration to admit that the replacement will not take place because of its administrative incompetence...."

Brazil

Amorim Addresses UNGA, Views Cuban, Haitian Issues

PY2709140994 Brasilia Radio Nacional da Amazonia Network in Portuguese 1100 GMT 27 Sep 94

[Text] Foreign Minister Celso Amorim opened the UN General Assembly by calling for a long-lasting solution to the Haitian crisis and the return to office of exiled President Jean Bertrand Aristide. He also called for Cuba's reinstatement into the international community through dialogue.

Amorim said Brazil supports the World Trade Organization, which will replace the GATT on 1 January 1995.

Matra Defense Systems Ordered for Armed Forces

PY2309220894 Madrid EFE in Spanish 0944 GMT 20 Sep 94

[All equipment names as received]

[Text] Paris, 20 Sep (EFE)—The French-owned Matra Defense Systems reported in Paris today that Brazil has ordered Manpads anti-aircraft defense systems for its Army ground units, and Simbad defense systems for its Navy.

The Manpads system will be distributed among infantry units later this year. The Navy will receive double-tube Simbad installations for several units, especially for the aircraft carrier Minas Gerais.

The Manpads and Simbad systems use Mistral missiles, which reach 3,000 km per hour with a 92-percent accuracy rating.

Matra has sold about 11,000 Mistral missiles to 16 countries over the past six years. Brazil is the second Latin American country to equip its Armed Forces with this sort of weapon: Chile, which equipped its Air Force with them in 1989, was the first.

Foreign Investment Rules Published

PY2709123994 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Sep 94 Section 1 p 4

[Text] The government yesterday published in the OFFICIAL NEWSPAPER OF THE UNION the rules for the Foreign Investment Fund created to increase the demand for dollars and to allow Brazilians buy Brazilian foreign debt papers.

According to the rules at least 60 percent of the fund quotas must be invested in Brazilian foreign debt papers. The rest may be distributed among foreign fixed earning papers or papers of Brazilian companies abroad with a limit up to 10 percent in each kind of paper.

Gustavo Franco, Central Bank International Affairs director, said the new fund will work like any other in the Brazilian market, like the commodities fund or others, paying taxes like any other. The administrators will be banks or other financial institutions.

The difference is that investments will be made in dollars. This will generate a greater demand for the U.S. currency and—the government hopes—help curb the over valuation of the real.

The government understands that by buying quotas from the new fund, investors will be taking away reals from applications in internal debt papers.

With these reals, the administrating agency will have to buy dollars to invest abroad. Since 60 percent will have to be applied in Brazilian foreign debt papers, the internal debt will be reduced and the part of the foreign debt will be recovered.

Finance Minister Gomes Interviewed

PY2809013094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Sep 94 Section 1 p 9

["Main excerpts" of interview with Finance Minister Ciro Gomes by Gilberto Dimenstein and Ediana Balleroni at his office in Brasilia; date not given]

[Text] [FOLHA] Aren't the federal government loans to state banks putting the Real Plan at risk?

[Gomes] We are convinced that the financial system will have to be changed. It is in fact changing. As a general rule, adjustments have been made in state banks based on specific reasons.

The Bank of Piaui and the Bank of Rio Grande do Norte have been shut down, while the Central Bank [BC] intervened in the Bank of Pernambuco, closing 78 offices and dismissing 3,000 employees.

These adjustments have not been made everywhere, and the problem is that some of these state banks have been burdened with the debt of the respective state. In some cases, these debts have gone beyond what the respective state can afford.

These are extremely large debts. They must be stopped on structural bases. The only problem is that the Real Plan has a timetable requiring a tight monetary policy and an end to inflation; all of which means that at this stage we must deal with restrictive measures.

[FOLHA] What would those structural changes be?

[Gomes] To solve the financial situation of those states. We must exempt the state banks from this responsibility. There are many ideas to convert debts into securities. Yet this will be incumbent upon each state. In theory, each state will have to sell some assets to cover its liabilities.

[FOLHA] Do you mean to privatize?

[Gomes] It could be.

[FOLHA] Private banks contend that they are reacting, but they claim that public banks are receiving more protection in this process.

[Gomes] We are talking about three banks being rescued. They are: Banespa [Sao Paulo State Bank], Banerj [Rio de Janeiro State Bank], and Banrisul [Rio Grande do Sul State Bank].

[FOLHA] What about the Federal Savings Bank [CEF] and the Bank of Brazil [BB]?

[Gomes] Adjustments are also being made in these banks.

[FOLHA] The BB sustained losses amounting to $500 million during the first two months of the Real Plan, while it obtained a $153 million profit during the first half of 1994. That is, in July and August the BB spent three times as much as the profit it obtained during the first half of the year. [Gomes] We all knew that inflation was good for someone. The end of inflation would thus be bad for someone. It is bad for the financial sector. The BB has made a remarkable effort to adjust to the new situation. Since the installation of Itamar Franco's government, the CEF has practically overcome its earlier deplorable situation.

[FOLHA] Why are state commercial banks necessary? Aren't they playing the role of a real "central bank" in each state?

[Gomes] I have long had an opinion on this matter. This is my personal opinion, not of the government. I consider it to be an excrescence for a state to have a bank. These banks are very vulnerable.

[FOLHA] Is the government planning to take measures to deter consumption during the year-end season?

[Gomes] What could the government do about consumption? It could restrict credit, by reducing what has been known as aggregate demand; that is, each person's salary plus the credit he can get on the market.

If you restrict credit, you reduce this potential demand. We had already done this. We retraced our steps later, but this is a normal thing. We are closely following the process so that everything may go well.

Another alternative would be to increase supply, because consumption per se is not bad. Consumption is bad when it grows at a much different pace from supply. This happened here, but there is a trend toward finding a point of equilibrium. I believe this is already happening now.

We have already received reports that purchases are declining and that there is a growing number of customers defaulting on their credit payments.

[FOLHA] Are you sure the reduction in import tariffs will not affect industries and jobs?

[Gomes] The reduction in import tariffs had been decided earlier as part of an agreement made within Mercosur [Common Market of the South], which was scheduled to go into effect on 1 January.

For tactical reasons relating to our stabilization plan, we decided to move up the scheduled date of implementation of the tariff reduction agreed upon within Mercosur. We made calculations and concluded that if importers take advantage of all the new tariff reductions, imports would grow by 1 percent, or $220 million. This would be peanuts for a country like Brazil, and would not affect any industrial sector.

As the economy is expanding, we are boosting supply to meet the demand that our domestic market cannot meet. The demand is such that the auto industry is working at full steam, but the speculation on car prices is estimated at 70 percent. Imported cars will not force any assembly plant out of business because they would be simply filling a void in demand that our national industry is unable to meet.

[FOLHA] Why then are unions and business groups concerned about these tax reductions?

[Gomes] That is just pseudosocial rhetoric designed to protect oligopolies, to maintain a closed market system, and to force Brazilians to continue to buy expensive, poor quality products.

[FOLHA] Are you trying to say that unions and businessmen are united on this matter?

[Gomes] That stems from a longtime situation in Brazil. There are middle class unions that are using workers' rhetoric.

The cost of labor at an assembly plant stands at 7 percent, and the basic salary stands at 900 reals [R]. Where I come from anyone earning R900 monthly belongs in the middle class, and may frequent the Nautico or Atletico Cearense clubs. A state secretary earns R1,800.

The situation in Ceara is no different from that of the rest of Brazil. The prevailing logic was that of holding the market hostage, of inflation being calculated by the government, of salaries being automatically adjusted, doctoring production costs, and consumers having ultimately to pay higher prices. Interest in the fatherland was excluded from this way of thinking. Those included in it are bank employees and metalworkers. This is the workers' rhetoric. I am not saying it is unfair.

Finance Minister Urges Support for Price Stability

PY2809022794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Sep 94 p A2

[Article by Finance Minister Ciro Gomes: "The Real is the Basis for Salary Negotiations"]

[Text] The people's massive support for the Real Plan has unquestionably proven that price stability has improved the well-being of the population. With a stable currency, the purchasing power of the lower income brackets has undergone a considerable increase. The reduction of uncertainty and consequent recovery of the ability to plan for the future have brought new prospects to the lives of Brazilians.

All sectors should become engaged and should cooperate to guarantee the program's continued success: the government, the public, the unions, and enterprises. It should be clearly understood that the only salary increases that can be sustained in the long term are those based on efficiency and increased productivity. Isolated efforts to obtain advantages, disregarding this principle, will in addition to leading to failure end up harming the majority, because they encourage similar demands in other sectors, reactivating the inflationary spiral which has been so harmful to our country.

Implementation of the current phase of the Real Plan has three basic foundations. First, it is necessary to eliminate the evil practice of indexation, breaking the vicious circle in which salary increases are passed on to prices, with the inevitable consequence of the return of inflation and the reduction of salaries in real terms. Second, it is essential that the desirable increase in consumption, which takes place especially among the poorer, be prevented from turning into price hikes. Finally, it is necessary to improve the efficiency and competitiveness of Brazilian industry, simultaneously imposing limits on the power to set prices that some concentrated industrial sectors enjoy.

The earlier adoption of the tariff system agreed upon within Mercosur [Common Market of the South], along with the reduction of maximum prices in major industrial sectors, has contributed to the attainment of those three economic policy objectives. It should not be interpreted as punitive action. It is part of a much wider transformation, linked with a process in which the Brazilian economy updates its presence on the international market, based on increased incoming and outgoing commercial flows, and on wider freedom for transferring capital, attracting foreign savings that are necessary for promoting economic growth.

The end of Brazilian inflation should be coupled with a general increase in efficiency, which may allow the country to get the most out of its economic and financial integration into the world economy. Entrepreneurs and workers should therefore urgently implement a true cultural revolution.

This new development model, which is beginning to take shape, demands the abandonment of old practices—involving both capital and labor—which fit only autocratic economies, which have high inflation rates. Among such old practices is the spurious interaction that has developed over the past few years between major Brazilian entrepreneurial and labor sectors, which has promoted the race between salaries and prices.

Just as it is impossible to have a democracy without free and strong unions that counter the forces that concentrate capital, it is impossible to promote price stability within the traditional model of negotiations by labor categories. This model allows for indiscriminate salary increases for vast sectors of the economy, creating similar obligations for enterprises that are not on the same standing. The burden is finally shouldered by the defenseless consumers, who are confronted with price hikes.

The solution for the enterprises whose profits do not allow them to absorb the salary increases imposed by collective bargaining agreements is the immediate transfer of salary increases to prices. Such price increases affect other sectors, reactivating the inflationary spiral, producing salary drops in real terms and pressure for new salary agreements. Obviously, the speed at which such effects spread is directly proportional to the degree of indexation of the economy.

A major step toward doing away with that evil logic was recently taken at the negotiations between workers and government representatives, which set the limits for negotiations between workers and enterprises of the Sao Paulo metallurgical sector. The modern and conscientious union leaders who represented that major professional category at the talks in Brasilia had by mid-September willingly accepted two principles that are considered essential for the Real Plan: the impossibility of adjusting salaries outside the collective bargaining renewal date, and the holding of salary negotiations at each enterprise, based on specific economic- financial conditions.

Tying the destiny of workers to the fate of the organizations in which they work is a precondition of modern market economies, in which the relations between capital and labor are based not on confrontation but on association of interests. Workers should strive for fair participation in the results of what they helped to produce, in order to guarantee salary levels that are not inflationary and can be sustained in the long term.

The adoption of this new attitude is essential in order that Brazil may successfully fight the battle against foreign competition and prepare for the great challenges of the approaching new century.

Poll Shows Cardoso With 46 Percent, Lula 21 Percent

PY2809025294 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Sep 94

[Text] The IBOPE [Brazilian Public Opinion and Statistics Institute] today released the results of the latest presidential election poll.

If the elections were held today, PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso would win the elections with 46 percent of the votes. In second place comes PT [Workers Party] candidate Luiz Inacio Lula da Silva, with 21 percent of the votes. In third place is Prona [National Order Redefinition Party] candidate Eneas Carneiro, with 6 percent. Then comes a tie for the fourth place, as PMDB [Brazilian Democratic Movement Party] candidate Orestes Quercia, and PDT [Democratic Labor Party] candidate Leonel Brizola both have 4 percent of the votes. PPR [Progressive Renewal Party] candidate Esperidiao Amin has 2 percent of the votes, while blank and annulled votes and undecided voters amount to 17 percent. Candidates Carlos Gomes from the PRN [National Reconstruction Party] and Admiral Hernani Fortuna from the PSC [Social Christian Party] were included in the poll, but did not attain 1 percent of the votes. The IBOPE poll was carried out between 21 and 25 September among 3,000 voters.

Oil Workers Strike; Court Warns Against 'Electoral Crime'

PY2809015394 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Sep 94

[Text] The oil workers' strike is harming oil extraction. Oil refineries, however, are still operating with teams of workers who began their shift yesterday.

In the state of Sao Paulo alone, 4,000 oil workers are on strike. Production, however, has not been interrupted. There are 1,700 workers in the Presidente Bernardes refinery, which supplies the entire Sao Paulo coastal region. Only 150 of them are working. The refinery management reported that all units could be paralyzed if an agreement is not reached within the next few hours.

Out of every four oil barrels refined by Petrobras [Brazilian Petroleum Corporation] in the whole country, one is refined in the Replan, Planalto Refinery, in Paulinha, 120 km from Sao Paulo. According to the oil workers labor union, over 85 percent of the Replan workers observed the strike today. Despite this situation, production in the Replan continued to be normal through this afternoon, thanks to the Number One Workers Team that began their shift yesterday at 1530, and who have worked for more than 24 hours nonstop as a consequence of the strike.

There are 11 oil refineries in Brazil. The workers of the Duque de Caxias oil refinery in Rio de Janeiro staged a demonstration at the entrance of their workplace early this morning. The night shift has not left the plant, and production is still normal.

The Gabriel Pasos refinery in Belo Horizonte did not refine 150,000 barrels of oil as scheduled. According to Petrobras, this is the only refinery that is at a total standstill.

Although workers from the Alberto Pascualini refinery in Rio Grande do Sul joined the strike, the production of oil by-products in that plant has not stopped.

Oil workers gathered in front of the Gandulfo Alves refinery in Bahia.

The oil workers labor union believes that 90 percent of the oil refinery workers are observing the strike.

Every day 1.371 million of oil barrels are consumed in Brazil. Petrobras reports that its gasoline and diesel oil reserves will last 1 month. Bottled gas reserves will run out sooner, and could be finished in 10 days.

Meanwhile, the oil workers and Petrobras have not reached an agreement in the reconciliation hearings at the Superior Labor Court [TST] in Brasilia. Their labor conflict will be tried by court on 30 September.

The negotiations had a difficult start. TST Chairman Orlando Costa said that the oil workers are intransigent. He ordered 30 percent of the oil workers to return to work today, because production cannot stop for services classified as essential.

The oil workers are demanding a 108 percent wage adjustment, while Petrobras is offering them a little more than 13 percent. If no agreement is reached today, the conflict will be adjudicated on either 29 or 30 September.

The TST chairman asked the oil workers to lift their strike, and made a warning:

[Begin Costa recording] If the paralyzation of any kind of activity affects the normal electoral process, such action is described as a crime in the electoral law, and may lead to the act being classified as an electoral crime. [end recording]

Chile

Free Trade Accord With Bolivia Being Studied

PY2709225094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 27 Sep 94

[Text] The Chilean and Bolivian finance ministers have said that after years of confrontation, their two countries are treading the path of economic and commercial integration.

Bolivian Finance Minister Fernando Cossio stated that his presence in Chile reasserts this process. He added that the process of rapprochement between the two countries is increasing. Regarding the resumption of diplomatic ties, Cossio said that everything must be done at the proper time.

The Chilean and Bolivian finance ministers announced that the two countries are studying the achievement of a free trade agreement on the basis of the recently signed agreement on the promotion and protection of investments.

According to Cossio, these negotiations should not raise any difficulties, because it is mutually beneficial for the two countries.

Air Force To Discuss, Exchange Technology Abroad

PY2809001194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 27 Sep 94

[Text] Chilean Air Force Commander Ramon Vega has announced that he will be traveling to Russia to discuss a possible exchange of technology, and to Belgium to acquire 20 Mirage airplanes. Vega did not reject the possibility that planes may be assembled in Chile.

[Begin recording] [Unidentified reporter] General Ramon Vega talked with journalists after briefing President Frei about his upcoming trips to Russia, Belgium, and the United Kingdom.

Vega said that during his stay in Russia he will contact several companies that had exhibits at the recent Fidae [International Aerospace Fair] to discuss the possible exchange of technology.

[Vega] We are studying the possibility of modernizing their technology. In addition, we are trying to establish some joint ventures with Enaer [National Aeronautical Enterprise]. We are trying to expand Enaer. We are looking into new possibilities.

[Reporter] In Russia will you discuss the possibility of assembling Russian planes in Chile?

[Vega] No. I could not give you a specific answer at this time. We are conducting preliminary studies in this regard.

[Reporter] Vega added that it is likely that the Chilean satellite project will use a Ukrainian launching site. The first stage of this project calls for placing in space a Chilean satellite for two years using a Russian launching platform.

Senate Defense Committee Chair Interviewed

PY2709204594 Santiago ESTRATEGIA in Spanish 20 Sep 94 pp 35-36

[Interview with Christian Democratic Party Senator Arturo Frei Bolivar, president of the Senate Defense Committee—place and date not given]

[Excerpt] [ESTRATEGIA] What are the reasons for a more fluent relationship between the government and the Armed Forces in the current administration?

[Frei Bolivar] We have been seeking through all possible means mutual confidence among the military institutions, the country's government officials, those in charge of defense policy, and the congressional members of the commissions specialized in the matter. Seminars and meetings with the academic world have been organized so that the Armed Forces will be able to actively participate in the country's development.

The current operation of two organizations is also important, because these organizations, such as the Higher Council for National Security (Consusena) and the Union of Commanders in Chief, are vital for that purpose. Each of them have met twice so far this year, with the participation of the defense minister, to discuss matters of interest for the area. There are good relations also among the Ministry of Foreign Affairs and Borders, the Defense Ministry, and the Armed Forces Staff Board.

All these organizations have been reactivated, because while they did exist, they were not operating.

[ESTRATEGIA] What is the current state of relations between the government and the Armed Forces?

[Frei Bolivar] Relations are absolutely normal, and they are being strengthened continuously through a fluent dialogue in which the Armed Forces feel part of the state apparatus, and not just another state monopoly.

Although the foremost mission of the armed institutions is to safeguard national sovereignty, it is obvious that in times of peace there is an installed capacity the country can exploit for its development. When the president dedicated the Month of the Army, he made an essential proposal, calling the Armed Forces to join the campaign against poverty, beginning with the development of border areas, a task in which this institution had participated before. We can see the great importance of the construction of the southern highway, which embraced a good part of national territory, and now there is the possibility of building a coastal highway between Valdivia and Puerto Montt. This is a very concrete example of how the Army can participate in development projects. Together with the Navy it can play an important role in the process of the coal reconversion idea in border areas. The Air Force could be transformed into an executive secretariat of development of the air space, because if Chile wants to encounter the 21st century, it must develop its science and space technology. It is currently placing a satellite in space. The Navy is playing a similar role concerning oceanic policy and maritime development.

In sum, feeling that they are essential government institutions and part of the national development project, the Armed Forces are not isolated, nor are they unaware of the challenges the country is facing.

[ESTRATEGIA] In this case, does the presence of General Pinochet as commander in chief of the Army make things easier or not?

[Frei Bolivar] Gen. Pinochet is the commander in chief, according to the Constitution, and it is useless to question the nature of this situation now. This is the reality, and the government must respect it. But it is obvious that given his experience and his leadership within the institution, the existence of a good relationship is of great help.

But the problem is based on the fact that there are disagreements among citizens about 11 September, because it is a day that provokes different reactions. For some it is the day of national recovery, of the second independence, or of liberation from the Marxist regime. For others it marks the beginning of exile, of great suffering. The government believes, however, that it is a day for meditation, to prevent the country from returning to the situation experienced before 11 September 1973 and to become aware that the path to unity, to consensus, and to dialogue will lead us to growing development.

It is very difficult for the situation to change, because many of the actors in the 11 September events are participating in the country's political life, and only time will cauterize the wounds.

[ESTRATEGIA] The country is today experiencing an economic situation based on the implementation of a social market economy model established by the military government. What is your opinion on this?

[Frei Bolivar] There is no doubt that the economic basis was established during the military regime, which was then continued by former President Aylwin and President Frei. But I think the historical judgment will be based not only on the economic development, but on the conditions in which these measures were implemented, when there was no Congress nor the possibility to express an opinion on what was being done. There will also be a judgment of human rights.

In any case, I have always stressed the fact that one person who centralized all power, as did Gen. Pinochet, handed over that power to the government that won the democratic elections.

[ESTRATEGIA] The defense minister last week explained that there is a minimum level in reducing the Armed Forces' budget. What is the policy in this regard?

[Frei Bolivar] The defense budget is that of continuity. Chile has a deterrent and not an aggressive Armed Forces to defend our sovereignty. What is wanted, then, is that they be well prepared, in accordance with the country's potentials.

Concretely, in 1989 a minimum level was established, but since the country has grown more, the percentage has been decreasing. There are also extra revenues, such as those coming from Codelco [Copper Corporation] which, we must admit, are committed until the year 2003 because of the situation Chile experienced in 1978, when some materiel had to be replaced and more purchases had to be made for the different branches. The budget will continue being that of 1989, but we will have to review some disbursements which might be necessary, and for this reason the Senate Defense Committee is meeting with the top command of all branches to learn about the situation in 1994 and its projection toward 1995. In this manner, when the budget proposal for next year arrives, we will know which part will have to be improved.

[ESTRATEGIA] Concerning the U.S. invasion of Haiti, what is Chilean policy on the matter?

[Frei Bolivar] It was a decision made by the U.S. Government. The Chilean Government has been very clear in stating that it will not participate in any action of intervention in another Latin American country, because we respect the free determination of the peoples. [passage omitted]

Colombia

President Samper Addresses UN General Assembly

PA2709020794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2000 GMT 26 Sep 94

[Speech by President Ernesto Samper at the 49th session of the UN General Assembly in New York—live]

[Text] Mr. President of the UN General Assembly; Mr. United Nations Secretary General; distinguished guests of the official delegations; ladies and gentlemen: As president of Colombia, it is my great pleasure to address you here in this Assembly, which, as it draws nearer to its 50th year of creation, still represents the main forum for the discussion of issues of concern to all humanity as well as for the search for peaceful solutions to the problems plaguing the world.

When the United Nations was created 50 years ago, the countries had hoped the specter of war would be vanquished once and for all. A lack of understanding among nations, ideological extremism, and policies of brute force had led to a polarized world divided into two opposing blocks. The Cold War had interrupted for many years the initial aspiration of creating a system of coexistence. That coexistence, which is sought after a great deal, is manifested here today as we witness a black person lead the destiny of South Africa, as we witness Palestinians and Jews speak about growing fruits in the Golan hills, as we witness Berliners share a tasty Colombian coffee in the same place where there was a disgraceful wall practically yesterday. [applause]

We must all work together before this century comes to an end in order to peacefully resolve the most important issue outlasting the Cold War: the conflict with the sister Republic of Cuba. [applause] Thus, we are presented with the joyous opportunity of retaking the spirit of the San Francisco Charter and restarting the interrupted task of rebuilding a new world system based on solidarity, the respect for each nation's decisions, and a genuine search for better living conditions for everyone, as was proposed a few years ago by Indalecio Lievano Aguirre, another illustrious Colombian during his term as president of this Assembly.

The history of the 1990's must not be remembered as another episode of frustration during our search for peace, welfare, and justice. Our target can be nothing other than the human being. Our actions must be directed toward confronting poverty and ensuring social justice. Our commitment must be geared toward discarding all forms of arbitrary use of power and all violations against the individual's rights. This task, this unpostponable task is not exempt of perils, however. Neoprotectionism looms as a threat to free trade options of developing countries. It is true that customs barriers have been terminated, but new and dangerous forms of protectionism, such as noncustoms barriers, health barriers, custom obstacles, quotas, antidumping allegations, social clauses, national security, and concerns over elections, are beginning to appear.

Developing countries are no longer struggling against a wire fence of hostile customs barriers; we are now fighting against an army of invisible enemies who are motivated by various interests and systematically oppose the rhetorical aspiration of free trade, a position which would seem similar to our perception of paradise itself. Even though we all aspire to get there, no one is in a hurry to get there.

Impoverishment is the other threat. True, we are all committed to opening our economies, but that opening cannot make us ignore the need to manage its evident social costs: unemployment, the postponement of social investment programs, and neglect the peasantry, costs which could end up taking legitimacy away from the longstanding efforts to democratize our political systems in vast regions of the world, at least in the case of Latin America. Impoverishment is the only thing worse than poverty, and we are beginning to endure it in many parts of the world. Either we, the leaders, recommit ourselves to the people or the social costs stemming from the economic changes would end up disintegrating the achievements of political consolidation.

Finally, we have the threat imposed by blocs. The forming of economic blocs contradicts a world based on the rules of democratic free trade, which are for the sake of us all equally. The exchange of goods and services is not at stake today; the exchange of the means needed to produce those goods and services is. The selective appropriation of the means for production is making developing countries enter a deficient world. We lack the means for production and also lack equal access to the same. We have the difficult task, however, of competing with the world's most industrialized countries under equal terms. We are not trying to emphasize the old Third World type rhetoric of complaining and protesting but are trying to implement new rules that will allow us to have access to technology, to finance our infrastructure under favorable terms, to achieve acceptable levels of competition, to no longer depend on the cartels formed by service-oriented companies, and to access avenues of trade within a world where selling, not producing, is what counts and what is really important.

By creating new conditions that will allow us to play a starring role in the world's spectrum of forces, this goal must translate into a new model of development for our countries, an alternative model of which I want to speak about this afternoon at this forum. It is a model different from the protectionist system of the 1960's, because the globalization of the economy requires open and competitive economies. It is also a model different from the neoliberalism that irresponsibly leaves the correction to all imbalances of the market. It is a model different from the old, because it vindicates the need to change socially by taking into account economic criteria. It is also a model different from the wild capitalism imposed as a formula of social selection by the every-man-for-himself law. It is a different model due to the blind criteria imposed by public interventionism.

Is is also an alternative when faced with an attempt to auction the state to the highest bidders of selfishness, whereupon the state relinquishes its responsibility to the unprotected social majorities. It is also an alternative when faced with the anachronistic concepts of representative democracy and is an alternative when faced with the attempt to reduce the free democratic game into a sterile confrontation of large private interests.

The final objective of that new alternative model, the model of the South, should be the creation of a new citizen, a more productive citizen in the economic field, a more participative citizen in the political field, and solidarity in the social field. Words such as social investment, good government, agricultural development, competition, consensus, and adjustment are part of the new alternative vocabulary that will allow us to speak the language of a new identity, our own identity as nations in search of our own road.

For the new development model to be a reality and not a simple abstract concept, basic elements should be taken into account. First, it should allow the modernization of our productive structures. It is of no avail for us to continue opening markets if we have nothing to sell because we produce little or nothing. Modernization goes hand in hand with the development of sufficient transportation and communications infrastructures and the optimum use of the sources of power.

We must create new conditions for productivity, particularly in the technological field. We must adopt more efficient productive processes that are environmentally acceptable. Today's world is not divided between those who have and those who do not have; rather, it is divided between those who have know-how and those who do not, and we, the developing nations, are on the side of those who do not have know-how. We must purchase, develop, and assimilate new technologies.

The concept of social solidarity is second. Our greatest challenge in this field is to legitimize the new economic plan through true proposals of social development. Investing in mankind is the best business. Investing in education, health, and housing is highly profitable not only in social terms but also, particularly, in terms of economic gains.

Third, in order to carry out those two big revolutions, competition and solidarity, it is necessary to change the concept of those who appear today as agents of the economic process. What should be the state's role? Far beyond the dilemma between privatization or nationalization, between reduction or not of the state's size, is the imperative need for the state to function and do so honestly. A good government should be our goal in reforming the state. A good government means constructing a new kind of state that promotes efficiency, forming bureaucracies that are technically qualified, opening administrative procedures, thereby attacking focal points of corruption. It also means administrative decentralization, the participation of the people, and the organization of civilian society under criteria different from the old contradiction between capital and labor.

Fourth and last, we should bear in mind that this process comes about within the context of a global economy and the independence of peoples. The main problems affecting all countries are no longer simply of a national nature; the problems are global and thus require the coordinated action of all nations. The new cooperation the international community requires is based on the adjustment of national policies to fulfill global goals within a framework of respect for the sovereignty of states, to the principles of international law, and to domestic legislation.

Only by being able to attain a new idea of cooperation can we avoid the temptation of interventionism and the risk of it forging through the open door of interdependence and globalization. Cooperation, as an alternative to intervention, offers the road to ensure that the community of nations attains the yearnings for peace and stability. [applause]

Ladies and gentlemen, I have come from Colombia, a country that respects international law and the principles that guarantee peaceful coexistence; a country that has betted on Latin American and Caribbean integration; a country with a dynamic Constitution and a solid economy as few others in Latin America have; a country that has progressed thanks to the sacrifice and tenacious work of its people, creative people who are obsessed by progress and swept up by the magic sense of life, about which Gabriel Garcia Marquez, our Nobel literature prize laureate, has written. Colombia is a country searching for peace, because we love life very much. The times in which we are living are times of crises but are also times of opportunities. We have learned to live in Colombia amid terrible difficulties, always encouraged by the biblical invitation of maintaning an outlook as a people to enable us to prevail as a nation.

I know some of you have asked yourselves why I have not referred in this speech to the problem with which everyone associates my country: the problem of drug trafficking. I have not done so, because we believe in Colombia we have the right to have other positive factors taken into account, factors that define us as an honest and working people who offer and expect respect from other friendly countries. We have, of course, fought and will continue to fight with conviction and pay a high cost to fight this scourge against humanity, drug trafficking.

I must confess, however, we sometimes feel alone in this task. We feel alone when we see the increase in drug consumption in countries that demand our cooperation in defeating a problem that belongs to all of us in its origins and consequences. We feel very much alone when we see chronic drug users reelected as mayors. We feel alone when we see that after long efforts to wipe out illegal crops, doors are closed precisely on the sale of those products that we have managed to grow as alternate crops with much effort.

In the midst of this solitary struggle, which has left many victims in the countryside, among whom I consider myself a fortunate survivor, what many want is for Colombia to be looked at under a different light, that the soundness of its economy be recognized, that Colombia be considered for investment decisions. We want all of you to get to know the Colombian people, my people. We want you all to visit our countryside in order to have many more people of the world fall in love with my country in the same manner as those of us who are in love with, who were born in, live in, and will die in that privileged corner of Latin America, which is Colombia. Many thanks. [applause]

Samper Cancels U.S. Events After Ex-President's Death

PA2709153394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 27 Sep 94

[From "Caracol's 0600 to 0900" newscast]

[Excerpts] Colombians are deeply grieved by the passing away of former Colombian President Carlos Lleras Restrepo. He died this morning at his residence in northern Santa Fe de Bogota.

With his death, the country has closed one of the most important chapters of its history, President Ernesto Samper Pizano stated from New York. [passage omitted]

President Samper canceled several events scheduled in the United States and will return to Colombia this afternoon to convey his condolences to the former president's family. [passage omitted]

Government Fights Banana Ceilings, Rose Dumping Claims

PA2409014594 Santa Fe de Bogota EL TIEMPO in Spanish 21 Sep 94 p 8A

[Words in italics as published]

[Text] Colombia has announced a diplomatic and political offensive in the United States to prevent restrictions from being imposed on bananas, as two U.S. multinational companies have demanded.

This was stated by Foreign Trade Minister Daniel Mazuera Gomez, who referred to an article published by EL TIEMPO on 20 September regarding the demand raised in the United States. In the event the United States heeds the demand of the two U.S. multinationals, it would signal "a great setback in our trade relations," Mazuera Gomez stated.

Recently, Chiquita Brands and Hawaii Banana demanded there be an agreement on banana quotas among the European Union (EU), Colombia, Costa Rica, Nicaragua, and Venezuela, because the banana industries in these countries affect their interests.

Mazuera Gomez noted: "This is a demand by a U.S. multinational company (Chiquita) in association with Hawaii exporters."

He added: "We are working, above all, on the legal aspects. We have pending, nonetheless, diplomatic and political work, because we believe that such decisions by the U.S. Government, if they are heeded, could sharply hinder our trade relations."

Mazuera requested understanding from the public, noting that it is not easy to obtain immediate results on Colombia's efforts.

"We must realize that the decisions that affect us are the product of previously established procedures in U.S. laws. Therefore, provisions of U.S. laws must be complied with," the minister added.

The two U.S. companies have appealed under the so-called "Super 301" executive law, which allows the United States to implement unilateral trade sanctions on those countries that harm its trade interests.

The EU, Colombia, Costa Rica, Venezuela, and Nicaragua are involved in the case of bananas.

The Roses

Mazuera said the U.S. authorities are receptive to Colombia's claims regarding the difficulties they face in exporting roses due to the implementation of *antidumping* [previous word in English] measures (measures designed to fight unfair competition in which products are sold below market price or just at production cost levels).

The minister said Colombia is waiting for the U.S. Government's reactions on the issue. He said Colombia's arguments are emphatic and demonstrate that from the country's perspective the *dumping* [previous word in English] charge is totally unjustified.

He said the government is promptly taking care of the international trade problems that have arisen.

Venezuelan Police Dismantle Drug Cartel

PA2509045894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 25 Sep 94

[From the "TV Today" Newscast]

[Text] A new Colombian cartel dedicated to the trafficking of cocaine and the theft of small aircraft was dismantled on 24 September by the Venezuelan police. The organization, which is made up of 10 Colombians and a former agent of the Judicial Technical Police, PTJ, of Venezuela, is known by the authorities as the Villavicencio Cartel. Diego Suarez filed this report:

[Suarez] The organization, which was dismantled by the Venezuelan political Police, Disip, [Directorate of Intelligence and Prevention Services], operated for the past few years in the states of Bolivar, Apure, and Amazonas. They stole small aircraft that were brought to Colombian territory to be used to transport drugs from the Amazonian jungle to the United States and the Caribbean.

[Begin Counternarcotics Police Director Colonel Jose Leonardo Gallego recording, identified by caption] They have had reports on the theft of planes in other countries, including the United States and Venezuela, to be used here in clandestine activities related to drug trafficking. There have also been reports on the arrival of contraband planes. [end recording]

Former PTJ agent Robert Acosta and Juan Cansadillo Ortiz were arrested during an operation in Ciudad Bolivar, capital of the Venezuelan state of Bolivar. They identified Colombian Carlos Sanchez as the alleged chief of the organization, which is made up of nine other Colombians, including a pilot identified as Juliet Acero.

Colombian authorities asked their Venezuelan counterparts for a report on persons captured in that country to verify whether they have criminal records in Colombia.

New Cocaine Shipment Routes Transit Russia, Europe

PA2409031194 Santa Fe de Bogota EL TIEMPO in Spanish 20 Sep 94 p 6a

[Text] In the first week of March, the Narcotics Police learned about a 400-kg cocaine shipment that was to be shipped on a vessel carrying the Panamanian flag from Buenaventura Port on the Pacific coast of Colombia.

The cocaine was hidden in a container for which the mafia had paid $2,800 in shipping costs for transportation to Goteborg, Sweden.

The authorities chose to let the ship sail in order to uncover still another route of international drug trafficking and notified the Swedish police who could then continue to track it.

During three weeks the Panamanian vessel crossed the Caribbean Sea until it arrived at the aforementioned port. [sentence as published] There, the contacts of those responsible for the shipment offloaded the container and left it in one of the port's warehouses.

One week later, the container was loaded onto another vessel that sailed from the Goteborg maritime terminal to Kotka, Finland. From there, the drug was taken to Saint Petersburg in several trucks.

Finally, the drug was confiscated by Russian authorities one month after its departure from Buenaventura.

This is not the first time that this has occurred. The Colombian authorities have established that in the past three years the traffickers have changed their strategy for transporting drugs to the Western markets by using former Iron Curtain nations.

The experts in the handling of international drug trafficking said that the opening of markets in Eastern nations since the end of the Cold War was skillfully exploited by Colombian mafias by using ports in Poland, Yugoslavia, and Russia as transit points for cocaine destined for the black markets in the Netherlands, the United Kingdom, France, and Germany.

"Illogical Detour"

The cartels normally use vessels under Central American flags for the transit of cocaine.

The investigators have called these routes an "illogical detour" because cocaine first must go to Russian ports to return ultimately to their markets.

Nevertheless, this transit has generated an unusual increase in the use of Colombian cocaine in Russia, where its consumption is now seen at social events of the emerging classes.

Although for drug traffickers the change in their routes means an increase in the shipping freight—between $1,000 to $2,000 per container—the use of Russian ports gives them greater security that the shipments will arrive at their destination without difficulty.

- The consumption of drugs in Russian society has also increased prices. In the United States a kilo of cocaine costs $70,000, while in Russia it costs $250,000.

Military Reports on Purges in FARC, ELN

PA2809045494 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 28 Sep 94

[From the "Seven O'Clock Newscast"]

[Text] According to military intelligence reports, at least 70 FARC [Revolutionary Armed Forces of Colombia] guerrillas may have been executed by their former comrades during the past months.

[Begin recording] [Army Commander General Hernan Guzman] When the initial purpose is no longer clear, this usually leads to low morale, as well as an unwillingness to follow their commanders' orders. Therefore, all that is left for the leadership to do is to execute these individuals. [end recording]

However, what is more startling to the authorities are the reasons and the manner in which the guerrillas who are branded as traitors are executed.

[Begin Guzman recording] The guerrillas have a small building that they use to stockpile sugar, rice, and so forth. One of the guerrillas decided to steal some sugar because he was hungry. The leadership simply put him on trial and then executed him. [end recording]

Military intelligence information points to executions taking place in the San Lucas mountains in the Atlantic coast, (Amotilonia), Norte de Santander, Llanos Orientales, Cauca, Valle, and Huila.

The authorities are currently trying to locate the site where the executed guerrillas are believed to be buried and to crosscheck the information with others related to similar purges taking place within the ELN [Army of National Liberation].

Police Officials React to Dismissals

94CA0175B Santa Fe de Bogota CAMBIO 16 in Spanish 12 Sep 94 pp 16-17

[Article by Maria del Rosario Arrazola and Isaac Lee; first paragraph is CAMBIO 16 introduction]

[Text] Despite the "shots" fired by General Fabio Campos Silva against the police, calm is returning to National Police headquarters.

Judging by the statements made, the cure seems to have been worse than the disease. This is what some officers and noncommissioned officers are saying in the corridors of the National Police building after hearing the statements made by General Fabio Campos Silva, the former deputy director of the National Police, who retired on 2 September in the most important police shakeup (92 changes) in recent years. However, General Octavio Vargas Silva, the director of the National Police, is calmer now than 2 weeks ago, when stories about the alleged plot to "dump" him were spreading like wildfire.

Although he is now thinking about a total reform of the police and their professional upgrading, he is concerned about the remains of the scandal that still muddy the environment.

CAMBIO 16 interviewed him to compare his comments with the statements by General Campos Silva (see pages 14 and 15) [published as first half of this translation]; we also sought the opinions of Vargas Silva's closest colleagues and of some people implicated in the scandal like Major Luis Estupinan, the head of electronic intelligence at the DIJIN [Judicial and Investigative Police Directorate] and an expert in the structure of the Cali cartel, and the colonel who commands the Cali Investigation Unit.

First of all, General Vargas Silva categorically denies that on Friday, 2 September, when he told Campos Silva of his retirement, he said that he also would be leaving the National Police command and that two civilians would be appointed to replace them. "I never said that. That is untrue." Secondly, the director of the police, in addition to showing his surprise at Campos Silva's statements, maintained that he [Campos Silva] had always been given the means to strengthen the Cali Investigation Unit or Special Joint Command. "Never," he said, "was a request refused, and if that had been so, why did he not complain earlier or request a transfer? He had full autonomy and the capacity to make decisions."

And thirdly, he said that Campos Silva was never "pushed aside," that duties were never taken away from him "because his duties," he stated, "were established by law, and that would have been a crime."

General Vargas Silva was not the only one to answer so forcefully. Major Estupinan, the son of a retired police general, acknowledged that on more than one occasion he met with General Fabio Campos Silva in his office, "because the general asked me to come in to give him information on the Cali cartel, but he always kept me waiting for three or four hours before seeing me. Several times I outlined a plan to attack the Cali cartel for him, but I never knew whether he applied it or not."

And as if that were not enough, a commander of the Cali Investigation Unit said in a telephone conversation with this journal: "I always and at every moment had sufficient personnel to operate not only in Cali, but also in Valle del Cauca [Department]. I have helicopters permanently deployed in the bases of Tulua and in the Cauca and when conducting operations in rural areas, we had full logistic support. Now, as for the financial part, I can not complain. We have a special reserve spending account and when necessary, I use it. I have no problems when I need to tap into that account."

Other police sources who requested anonymity said that with Campos Silva's departure the environment is "really different; it is calmer, there is not so much gossip, and the conspiracy rumors have died down. If things continue as they are, in a short time we will have a clean and transparent police force."

CAMBIO 16 also learned that after General Campos Silva left, a number of officers in high intelligence positions went to the director's office to tell him of irregularities and odd procedures. For example, they told him of requests made directly by Campos Silva to tap telephone lines of the director and deputy director for operations, and said that Campos Silva, after making them wait for hours, did not meet with them or when he did so, ignored them. The information these officers were bringing was nothing less than data on the Cali cartel and strategic plans to strike crushing blows against the ringleaders of this criminal organization.

Other generals wondered, ironically, what Campos Silva really did with his time, since they found part of his work left untouched in a corner of his office. The work he left pending has been divided among several people.

With the departure of the former deputy director, interest in the number two spot in the police force is high. The temporary absence of General Guillermo Leon Dietes Perez had led many people to forget about him; now that he is coming back from Washington to take over the deputy director's position, news of this appointment is not being received well at all. In the police force he is considered a "desk general," and since learning of his appointment, some of the media have now revived the sensational and spectacular case of the "switch" in Cali of *K-6*.

Many in the police are surprised that General Serrano, who is known for his work against the drug traffic, has been sent to the police attache's post in Washington. According to Defense Minister Fernando Botero, there should be no concern about this, as he is only following the chain of command, and the changes were made based on rank.

Rumors Surround Campos Silva's Dismissal

94CA0175A Santa Fe de Bogota CAMBIO 16 in Spanish 12 Sep 94 pp 14-15

[First paragraph is CAMBIO 16 introduction]

[Text] Fabio Campos Silva is no longer the new deputy director of the National Police, but just an ordinary retired officer. This is his version of the end of his career.

Bored, depressed, and wearing civilian clothing, General Fabio Campos Silva still wonders how it was possible that in just a few hours he went from being deputy director of the police and commander of the Cali Cartel Investigation Unit to an ordinary general who had been forced to retire.

General Campos Silva, who will be 53 in October, met with CAMBIO 16 in house no 6 of the Suba Police Academy northwest of Bogota. It is a spacious, single story house filled with porcelain, framed decorations, and numerous photographs of his wife and children, Liliana Maria, 23—who lives in Chile where her daughter Laura has just been born—and Luis Fernando, 20. This is the version of the facts according to their main protagonist.

On Monday, 29 August at 0700, the time when he normally reached his office, he heard the first rumor. "People are saying, General, that they are going to make you take early retirement." Without thinking twice about it, he went to the fourth-floor office of General Octavio Vargas Silva, director of the National Police, and told him what he had heard in the corridors of the large and modern police building located in the CAN [National Administrative Center] in Bogota.

As he hoped, General Vargas Silva denied these rumors. After all, his friendship with the director of the National Police goes back many years. Both were born in Huila, and their families lived nearby.

Calm and confident, General Fabio Campos Silva returned to his own fourth-floor office to repeat his Monday-morning routine: dealing with the weekend's accumulated paperwork. But the rumors grew.

On Wednesday morning he was again told that his retirement was imminent. Once again he spoke with General Vargas. This time General Vargas told him that he too had heard the rumors, but said he should not worry, as these were new attacks on the police and he had nothing to fear.

This time, though, the words of his friend General Vargas only served to disturb him further; more than just a rumor, there was something behind it, something of which he was unaware. And the story actually threatened to turn his world upside down: inside the National Police a plot had been hatched to "dump" General Octavio Silva from the director's post and to prevent the president-elect, Ernesto Samper Pizano, from taking office.

According to the rumor, Campos Silva was allegedly behind this Machiavellian scheme. But that was not all. He also allegedly ordered Colonel Barragan and Majors Estupinan and Delgada—experts in electronic intelligence in the DIJIN [Judicial and Investigative Police Directorate] to record the famous narcocassette that last June was given to the media and to conservative candidate Andres Pastrana.

This rumor ran from mouth to mouth, not only in the Police, the DIJIN, and the Defense Ministry, but in the media as well. The media had now assigned reporters to follow this up and unravel the full story of the rifts in the police and the plot against President Samper and General Vargas Silva.

The details included data like the instructions which Campos gave to Barragan, Estupinan, and Delgado to tap the telephone lines of the offices and houses of General Vargas Silva and Rosso Jose Serrano Cadena, the operations director of the National Police and a personal friend of Vargas.

There was more: police sources claimed that General Campos Silva had concealed information on the raids conducted by the Cali Investigation Unit against the drug cartel leaders in that city. President Ernesto Samper and Defense Minister Fernando Botero Zea were informed of these details, but no one had concrete proof. Only unsubstantiated accounts were circulating, and nothing more.

On Friday, 2 September, as usual, General Campos Silva went to his office and was again told he was going to be removed from his post. He remained concerned until 1500, when he received a call from General Vargas Silva on his internal line, asking him to come to his office.

"Look, Fabio," began Vargas, "the National Government has decided to remove you from your post. Please understand; all this is related to the campaign to discredit the Police, and I will probably have to go tomorrow. I think they want to put two civilians in here."

At 1530, a press conference was held in the Defense Ministry to report the 92 "routine changes" in the Police.

Campos Silva returned to his office and immediately met with his staff. He told them of the official decision and left with his escort for home.

The nightmare had barely begun for him. He was alone and depressed. His wife Ligia was in Santiago, Chile, a five or six-hour flight from Bogota, visiting their daughter, Liliana, who had just given birth to their first grandchild, Laura. His son had just left the university and gone with friends to a bar in the "Zona Rosa." On the next day, Saturday, 3 September, the general went to Girardot for the weekend with his brother-in-law. On Monday, 5 September his wife returned from Chile, and he began to explain to her the spider's web of rumors that had been woven around his untimely departure from the National Police.

A week after these events, the general is dressed in civilian clothing, wearing an impeccable suit. He is convinced that his departure was orchestrated by leaders of the Cali cartel, who used a disinformation campaign to persuade Defense Minister Fernando Botero Zea to get rid of him.

In the interview with CAMBIO 16, General Fabio Campos Silva emphatically denied one by one all the stories that were used to try to explain the reasons for his forced retirement from the police.

Campos Silva said that his relationship with Colonel Barragan and Majors Estupinan and Delgado was limited strictly to professional matters, as they are intelligence experts and know the organization of the Cali cartel very well. He said he spoke with them very little because, as they are part of an external (special) group, they actually reported directly to General Vargas Silva, and he frequently saw them in Vargas Silva's office.

He denied that he was a friend of conservative candidate Andres Pastrana and that he had met with Pastrana at his home shortly after he returned from vacation in the United States. "I would like," he said, "to have the luck and good fortune to be a personal friend of Andres Pastrana or of Dr. Ernesto Samper Pizano, or to have either of them visit my home."

He denied that he had skipped meetings of police generals to meet with the former defense minister, Rafael Pardo Rueda, and said he never used supposed dental appointments as an excuse to meet with Pardo Rueda.

He denied being the material or intellectual author of the supposed "plot" against President Samper and General Vargas Silva, and said it would have been wrong for him to set such a poor example for his subordinates.

Campos Silva denied taping the famous narcocassettes and tapping the telephone lines of Generals Vargas Silva and Serrano Cadena. "My moral and ethical beliefs do not allow me to do such things." He denied the accusation that he had not signed more than 4,000 documents, including social security benefit forms and requests for leave for officers and noncommissioned officers.

He also turned from the accused to the accuser. According to Campos Silva, he had to face a battle whenever he requested equipment and financial and human resources to fight the Cali cartel; he said his duties were gradually withdrawn from him; he cited the envy and ambition of some of his colleagues as factors which, along with a drug trafficking plot, caused his ouster from his position.

This is just the protagonist's version of the most sensational scandal that has rocked the police in recent years. He is convinced of the infiltrating powers of the Cali cartel leaders. For the present, he wants to spend time with his family, read Alvin Toffler's THE THIRD WAVE, and decorate his new apartment, as he has to leave the Police Academy house in three months.

This is not the final word in this case. Rumors will continue to make the rounds, for it has been demonstrated that the police remain an easy target for those who want to damage Colombia.

Details Regarding CNP Dismissals Discussed

94CA0176A Santa Fe de Bogota SEMANA in Spanish 13 Sep 94 pp 22-28

[Text] On Friday, 2 September, the commander of the police, General Octavio Vargas Silva, left his office to keep an appointment at 1130 hours with Defense Minister Fernando Botero. Before leaving, he placed in his briefcase a document he had been working on for some time.

It was a proposal for changes in the chain of command of the National Police, beginning with the number-two man on the force and including nearly 100 other changes. This was the culmination of four weeks' work for Vargas, who began the project on 12 August when the new government gave him its full support and the defense minister asked him to look into a comprehensive reform of the officers corps. The objective of the effort was to control infiltration by criminal organizations and strengthen the intelligence apparatus.

General Vargas Silva was going to make a specific proposal: His candidate for assistant director of the law enforcement agency was Brigadier General Rosso Jose Serrano; for operations director, General Luis Enrique Montenegro Rinco; and for the Judicial and Investigative Police Directorate (Dijin), Colonel Hugo Martinez Poveda. Vargas' proposal fully adhered to the existing police hierarchy. The changes meant the automatic departure of General Fabio Campos Silva, assistant director; General Jairo Antonio Rodriguez, director of the Dijin; and General Guillermo Diettes, National Police attache at the Colombian Embassy in Washington.

With the names of Serrano, Montenegro, and Martinez in his briefcase, the police director planned to convince Botero and public opinion that a new era in the agency's life was about to begin. But both he and the minister were racing against the clock. To ensure a successful outcome, it was essential that the information not be leaked too soon. In fact, rumors of the changes, especially the ouster of the assistant director, General Campos, were already circulating in the corridors of the National Police administrative building on Avenida Eldorado, and they had reached the ears of some journalists several hours earlier. A few high-ranking officers were familiar with the proposal Vargas was taking to his meeting with Botero. Others—those affected by the changes—were plagued by uncertainty, as all they had heard were rumors.

The meeting between Vargas and Botero lasted nearly three hours. At 1430 hours, the general returned to his office. "He did not look happy, and as soon as he arrived he shut himself up in his office," an officer with close ties to the police director told SEMANA. Five minutes later, the telephone rang in the office of the assistant director. The message was brief and clear: General Vargas needed urgently to see General Campos Silva, who had been considered his possible successor. An appoint was made for 1500 hours sharp in his office.

For Campos, this meeting would put an end to a long agony that had begun on Monday, 29 August. On that day, two young officers, one linked to the Police Academy and the other to the Carabineros Academy, had come to his office to deliver a message. They told him that there was a rumor circulating that he would be removed from the office of assistant police director, and that the Dijin director would also be forced to retire. When he learned of this development, Campos went to Vargas' office and asked him if this information was true. The commander responded with reassuring words: "Do not pay any attention to those rumors," he told him.

But by Friday, after a week-long war of nerves, he was able to see things more clearly. At around 1000 hours, police reporters from the various media came to his office, tape recorders in hand, to get a statement from him on his retirement. He then made one final attempt to get a definitive answer from Vargas Silva, but the police director responded in the same tone as he had earlier in the week: "Fabio," he said, "this is a campaign against the police. They must want all of us to leave."

For that reason, when Campos arrived at Police Headquarters that Friday at 1500 hours after Vargas' urgent phone call, he was not entirely prepared for bad news. But when he saw the Dijin director sitting in the waiting room outside Vargas' office, Campos realized that the rumors were true. General Vargas Silva told him coldly but politely that the government, through its minister of defense, had decided to promote new officers in the chain of command and to call upon him to step down. There was a silence, and as is usually the case in these instances, few questions were asked, out of respect for a superior officer. But before leaving the director's office, Campos could not resist saying to Vargas Silva: "It was the Cali cartel that got rid of me." Vargas answered, "Do not take it like that, that is not true. Accept this calmly, finish out your career in good standing, take advantage of the time you will have with your family from now on, and take a rest. I will say this, though," added the director, "you should not neglect your personal safety."

The Confrontation

For Vargas, Campos' departure lifted a great weight off his chest. Since 17 December of last year, when they took office as director and assistant director of the police at the same time, rumors began to fly that the two officers had serious differences of opinion. "Campos is a difficult man to deal with, very complicated, and he has never liked team work," SEMANA was told by a high-ranking police officer who had first-hand knowledge of the his superiors' relationship.

Other sources close to the now ex-assistant director maintain that the problem was that Campos did not like a lot of what was happening in the National Police. "During the pursuit of Pablo Escobar, many officers felt they had license to approach the Cali cartel, first as a source of information, but eventually they established ties so close that many people had dirt on their hands," a retired officer explained to SEMANA. Neither Campos nor many other officers spoke out about this, especially after the appearance of the "narco-cassettes," one of which revealed that the Rodriguez Orejuela brothers had used Alberto Giraldo as an intermediary to send a "packet" to a top-ranking police officer nicknamed "Benitin," whom many associated with General Vargas Silva. The general survived the scandal because, among other reasons, he had proven to be a hero in the war on Escobar, because of the indignation aroused at the time by the narco-cassettes, and because of the lack of definitive proof that the "packet" had actually reached his hands. Even so, both inside and outside the police, a cloud of suspicion hung over him.

Campos had his doubts about Vargas, and it was no secret that Vargas, in turn, had begun to mistrust him. Although they had been classmates and even hailed from the same part of the country—Vargas from Garzon and Campos from Pitalito, in Huila—in fact there was a certain rift between them, which grew wider and wider during the weeks leading up to the assistant director's departure.

Why? As is often the case in this type of situation, there are at least two versions. General Vargas' friends contend that Campos committed a mortal sin: In the last few months, he began bugging phones and investigating property owned by the police director. On the other hand, Campos' friends and Campos himself deny this and cite other reasons for the clash.

Ranking officers close to Vargas Silva agree that the conflict heated up after the narco-cassettes scandal. "Many of us told our friend General Vargas that both Campos and Rodriguez appeared to have been involved in the recording of those tapes," a source revealed to SEMANA.

According to these same sources, Campos ordered several officers who enjoyed his full confidence to bug the phones in the office and in General Vargas Silva's residence. He also reportedly commissioned another group of officers to go to Neiva to investigate property Vargas Silva allegedly owned in that city. And to complicate matters, he supposedly designated two secret agents to tail Juan Carlos, Vargas Silva's youngest son, who would die tragically several weeks later.

"It took Campos longer to get this intelligence project under way than for General Vargas to find out about it through some of the people Campos had enlisted to perform the task," explained a colonel.

It appeared at the time that the mistrust was mutual, and the situation was bound to blow up. "There were communication problems on both sides. Campos, who coordinated the efforts of the National Police and the Army in the Search Block organized against the Cali cartel, had stopped giving his superior reports on these operations," noted the same officer. A high-ranking official of the Defense Ministry also said that "Campos gave orders that countermanded instructions from the director and even from Minister Botero himself."

Campos categorically denies these stories. In a letter to SEMANA, the former assistant director of the National

Police declares that "bugging telephones is something that is diametrically opposed to the ethical principles that guide my behavior, both personally and professionally."

Campos argues, among other things, that "the only two offices in the command run directly by the Office of the Director of Police—in which the undersigned had no involvement and could not even issue orders, under clear and unequivocal guidelines issued by the director general—were the Dijin and the Drug Enforcement Bureau." And those two offices were the only ones in the National Police organization that had the technical wherewithal to bug telephones and secretly record conversations.

But perhaps the argument that provides Campos with the best defense is that put forward to SEMANA by a retired officer, with close ties to the assistant director, who appears to have intimate knowledge of recent events: "Over the years, General Campos had become accustomed to surviving crises and purges by keeping a low profile and not engaging in internal struggles. For this reason, those of us who know him cannot imagine that, at a time when he merely had to wait a year and a half to crown his career by attaining the post of director general, he would start bugging phones and investigating his superior's business dealings. He would have to be insane to do that."

Those who insist that Campos was investigating Vargas have several hypotheses to explain his attitude. The principal one is that the narco-cassettes scandal gave the second-in-command an opportunity to rise to the top. "Apparently, he was waiting for the big shots in the government to call him in and ask him what he thought of General Vargas. Instead of speaking ill of him, what Campos planned to do was deliver some supposed evidence which, along with the suspicions raised by the conversations between Giraldo and the Rodriguez brothers, would pull the rug out from under Vargas," an officer friend of Vargas told SEMANA.

A second hypothesis on this confrontation was revealed by Campos himself in statements to some journalists. The general came right out and said that after the changes were made in the police force, "the good guys left and the bad guys remained." A similar idea has been circulating among some observers, and columnists and analysts discussed it in the press last week.

The truth is that in the last few months, Campos had shown unprecedented efficiency in pursuing and cracking down on the Cali cartel. In fact, statistics released by the National Police itself indicate that during the first half of this year—when Campos shared the leadership of the Search Block with Army General Camilo Zuniga—massive raids were carried out against the organizations of the Valle del Cauca, and for the first time they felt that the authorities were right on their heels.

The same sources who have criticized Campos have mentioned two cases being handled by the Prosecutor's Office in which he was implicated. One was based on accusations from a faceless witness who reportedly said that Campos had returned a shipment of cocaine and released its owner in an incident on the Atlantic Coast some years ago. The second case involves alleged abuses committed by Campos when he was director of the Barranquilla police, during the investigation of the murder of Rafael Orozco. In the first case, the accusations were proven false; the Prosecutor's Office attested that the confiscated cocaine had been destroyed, and that the arrested man had not been released and in fact is still in jail. As for the second charge, although there are some serious accusations, this matter has little or nothing to do with the reasons for his retirement.

Blow to Serrano

For General Vargas Silva, engineering the Dijin director's departure was less traumatic than in Campos' case. The virtual collapse of the Dijin as an investigative body cost this veteran officer his career. "The Dijin was once the hub of intelligence operations, but it became an entity that could no longer produce results," a Defense Ministry source told SEMANA.

It is said that Rodriguez was such a weak leader at the Dijin that when the narco-cassettes scandal broke, his men were accused of being directly responsible for recording and publishing the tapes, and the director never managed to clarify what had happened in a convincing manner. The situation was so delicate that many believe today that Rodriguez himself was behind the recordings. Those who have known him for many years do not hesitate to assert, however, that this general is a good man, a refined gentleman who was cursed with a passive temperament that did not stand him in good stead as director of the Dijin.

For all these reasons, it was easy for Botero and Vargas to get rid of General Rodriguez when they met the morning of Friday the 2d to decide on the changes.

Much more difficult than that case, and even that of Campos, was the handling of General Rosso Jose Serrano's situation. Serrano, assistant director of operations at the National Police, had long been one of Vargas' most trusted associates and best friends. Vargas found in this general the bulwark of support he needed when the narco-cassettes scandal hit, and the DEA [Drug Enforcement Administration] closed its doors to Vargas when he visited the United States. It was Serrano who took charge of getting those doors open again. In recent years, the U.S. authorities have trusted him more than any other general, and he used that trust to get the United States to make amends to Vargas. The first such gesture came when Agent Toft, the chief of the DEA in Colombia, visited the director of the National Police. There were rumors that tears came to Toft's eyes when the foreign agent spoke to Vargas about the injustice that had been done to him in the narco-cassettes affair. The second gesture was a letter and a phone call from DEA Director Thomas Constantine himself to express condolences for the death of Vargas' son Juan Carlos three weeks ago.

The fact is that, against this backdrop, General Vargas thought it perhaps inappropriate to propose that Botero appoint Serrano the new assistant director. When he put forth his candidacy, Vargas went into great detail about Serrano's work as director of drug enforcement during the toughest period of the war on the Medellin cartel, and about his performance on the police reform commission. As a result of these efforts, Serrano enjoyed tremendous prestige both inside and outside the police force.

But there was one problem with the appointment: Adhering to police hierarchy meant the retirement of General Guillermo Diettes, who was serving as National Police attache in Washington and was second in seniority after Vargas. Botero asked Vargas Silva what reasons could be given for skipping over Diettes and asking him to step down. The conclusion was that there was no valid argument. Besides, Diettes has connections with the government, since he was a classmate of Horacio Serpa's and has known President Samper for 10 years.

Thus, when Serrano, the number-three man in the National Police, went to the director's office that Friday afternoon, the news was not good. The police director told him that for reasons beyond his control, Serrano would not be the number-two man yet, and that the government had appointed Diettes to that position. Vargas asked Serrano to remain in his current job as assistant director of operations until another opportunity to shuffle the high command presented itself.

The next few moments were very tense. Serrano spoke up and said that if that was the case, he would prefer to be let go or assigned abroad. Vargas made a couple of phone calls to the Defense Ministry, and a few minutes later he told Serrano that the government's decision was to send him to the Embassy in Washington as an attache.

Bad Taste

Be that as it may, Serrano's transfer complicated even further the interpretation that was given to the changes. Suspicious types concluded that, on the one hand, a general (Fabio Campos) was forced to retire after participating in the coordination with the Army of some of the most successful operations in the war on the Cali cartel and then being accused of investigating his superior's connections and business dealings; and, on the other hand, the man most trusted by the United States in the war on drugs was removed from the battlefront and sent to Washington. All of this on the grounds of hierarchy and respect for the chain of command. As columnist Maria Jimena Duzan commented in an article titled "Major Shuffle in the Police" that appeared on the editorial page of EL ESPECTADOR on Tuesday, "Maybe, in the name of strengthening the chain of command, we were left with those who were less able, while those who were acting as a thorn in the side were ousted."

These are not the only interpretations. On Thursday in Cartagena, during the course of an international drug enforcement meeting, Cresencio Arcos, U.S. undersecretary of state for narcotics, hardened his government's tone in response to the announcements by President Ernesto Samper's administration concerning the battle against the cartels. Arcos said that "deeds must be more important than words and statements," and went on to declare that what Washington is hoping for is the arrest of drug traffickers, rigorous prosecution of those in custody, and laws calling for the confiscation of property. Many see this escalation of U.S. rhetoric as a manifestation of Washington's skepticism about the changes in the leadership of the National Police.

As if that were not enough, by the end of the week new rumors were circulating about possible negotiations for the surrender of the Cali cartel. U.S. journalist Tom Quinn reported that "people close to drug trafficking in the Valle del Cauca" had contacted him to tell him that the Rodriguez Orejuela brothers and their associates were willing to resume negotiations with the Colombian Prosecutor's Office leading to an eventual surrender process.

Thus, things have come rather far, and there seems to be no end to the speculation. All of this has left a bad aftertaste. Not only does the specter of the narco-cassettes continue to haunt us, but now there is the impression that the changes in the upper echelons of the National Police were bungled. "It may be unfair to a man who has given Colombia so much," added Maria Jimena Duzan in her column, referring to Vargas, "but the truth is that the harm done to the institution by the suspicions surrounding the general is more powerful than anything he might do to prove that what the cassettes say is not true."

The government itself seems to be aware that the latest chapter in the police shuffle has not yet been written. A well-placed source at the Defense Ministry told SEMANA Friday morning that "right now all of the generals, from Vargas Silva on down, are on probation." The same source asserted that despite stories to the contrary, "what we intend to do with General Serrano, the most respected officer in the institution, is not to get him out of the way, but to protect him from what is happening by keeping him standing by in Washington until he can take over as director general." The question, then, is this: How long will it be before the new changes take place?

[Box, p 26]

What the Shakeup Will Bring

The changes in the chain of command in the National Police are intended to strengthen three areas in which the government had serious doubts.

The first is operations. That is why General Luis Enrique Montenegro Rinco, current commander of the Bogota police, has been named to fill that post. He is recognized for his firm dedication to the fight against crime. He is a trooper in every sense of the word, blessed with a tremendous capacity for work. The second area is intelligence, which has been assigned to Colonel Hugo Martinez Poveda, the architect of the operation that culminated in Pablo Escobar's death. This officer, who will be promoted to general in December, is the new director of the Dijin, a secret agency that had relinquished its position as a leading investigative body.

Until last December, the Dijin had played a key role in dismantling the Medellin cartel, and from its headquarters in southern Bogota it had become the driving force of the intelligence-gathering activities that fed the operations of the Search Block, commanded in the capital of Antioquia by Colonel Martinez.

The third area is corruption and inefficiency in the Cali police. The government wants to cure itself of the headache that this institution has become in that region of the country.

Brigadier General Luis Pineda Perez, described both inside and outside the National Police as an incorruptible, intelligent, and capable man, has been named commander of the Metropolitan Police of Cali.

SEMANA has learned from highly reliable sources that before Pineda was appointed commander in the capital of the Valle del Cauca, Colombian Government officials contacted U.S. drug enforcement authorities to request information about his international track record.

His name prompted very favorable responses. Finally, there is the new assistant director of the National Police, Brigadier General Guillermo Diettes Perez, who returned this Thursday from Washington, where he was serving as National Police attache at the Colombian Embassy.

Diettes' return was preceded by a bitter dispute over his alleged inefficiency in the pursuit of drug barons when he was commander of the Cali police. The mass media have also held him partly to blame for the episode in July 1993 that culminated in the escape of retired Captain Jorge Eduardo Rojas Cruz, better known as "K6" and presumed to be a leader of the Cali cartel. When he was being transferred from the Dijin offices to the Regional Prosecutor's Office, Rojas disappeared and was replaced by Oscar Renteria Varela.

When the incident occurred, however, Diettes was not in town, and his name was never even mentioned in the investigations carried out by the Prosecutor's Office, the Attorney General's Office, and the Inspector General's Office of the National Police.

Narcotics Sales' Impact on Economy Studied

94WD0571A Santa Fe de Bogota SEMANA in Spanish 26 Jul 94 pp 56-58

[Article: "La Cosa Nostra, S.A."]

[Text] Last year, Colombian drug traffickers earned between $2.5 and $7 billion from cocaine, heroin, and marijuana.

The statistics on the magnitude of the drug traffic have become a veritable myth. For some time, it has been claimed that the value of the business amounts to as much as $150 billion, and that it is provided mainly by Colombia, Bolivia, and Peru. According to those same estimates, the national income of each of those countries, which does not even total half that figure, depends almost exclusively on the "narco"-economy. Hence, the "observers," without the slightest pang of conscience, conclude that the abolishment of the drug traffic would lead to the dismantling of the three nations' economies.

It is no secret to anyone that those numbers are inflated for publicity, but even if they are half, a quarter, or only a tenth of that amount, they are impressive. The National Directorate for Narcotics has just completed a study which, for the first time, from an official standpoint, attempts to gauge the magnitude of the cocaine, heroin, and marijuana industry in the Colombian economy. This measurement had always been incumbent on economic experts and analysts of the national situation to make, and they have never reached agreement on the extent of the impact from the business.

After two years of work, and the holding of eight regional forums on the subject, the National Council on Narcotics has just approved the "National Plan To Surmount the Drug Problem." Its aim is to deal with the problem comprehensively, through policies such as reinforcement of the justice system, control and interdiction, alternative development (in the rural areas), overall prevention, treatment, and social reinstatement, and international cooperation. A five-year period is anticipated for its execution, and it will require support through political will and sufficient funds for focusing the investment so that it will lead to a solution of the problem.

For years, research experts and economists have made estimates of the drug problem, on some occasions with figures differing in a proportion of one to 10. This has caused confusion and, at times, has minimized the reality of the industry's impact. Even the level of foreign currency repatriated by the drug cartels is another puzzle that no one has been able to solve. The estimate made by the Narcotics Directorate shows that, in a pessimistic scenario, the Colombian drug dealers managed to sell slightly over $5 billion worth of cocaine, heroin, and marijuana last year (a figure similar to that of Gillette's annual sales, to give a yardstick). Whereas, in an optimistic scenario, they "topped" approximately $13.631 billion in transactions during 1993 (the total for Coca-Cola of Atlanta sales during that period).

If those numbers are accurate, and considering the fact that the trafficker operates with profits of between 75 and 100 percent, the Colombian cartels easily accrued profits of between $2.5 billion (what General Motors earned) and $7 billion (more than double Philip Morris-Marlboro's profits in 1993). This figure is reached after reading the voluminous document which, in fact, does not dare to give the total for that calculation in its text. Where it does dare to cite numbers is in the case of the drug trafficking industry on Colombian farms, before the end product is sent to the consumer markets. In 1993, the business represented between $823 million and $1.312 billion for Colombia: between 1.6 and 2.5 percent of the gross domestic product.

These figures fluctuated in the zones or regions in which the raw materials for the drugs are grown. Nor does the report enter the realm of speculation on the amount of foreign currency that they succeed in reinjecting into the economy. However, it admits a high cost for Colombia in terms of taxes, performance of the economy, handling of the macroeconomic policy, and legal productive industry. Nevertheless, a look at the financial activity of that business in the national territory is quite interesting.

On one hectare planted with coca, approximately 1,250 kg of leaves are produced every 100 days, and to produce one kg of paste, about 586 kg of leaves are required. This makes an average production of 2.2 kg of paste in each of the three annual harvests. The coca leaf is not marketed in the country; rather, the producer processes it on the farm. During 1993, the country produced between 230 and 250 tons of paste, representing between 138 and 150 billion pesos (an average of 600,000 pesos per kg) for the regional economies. The production and manufacturing costs were distributed as follows: between 30 and 40 percent for components; and between 20 and 30 percent for labor, security, guerrilla vaccination, and land rent. The balance is the producer's net profit, which could exceed 40 percent (see tables).

In the case of poppies, it is estimated that, in Colombia, the average yield of latex per hectare could be six kg, and that an average of two crops per year can be produced. During 1993, without counting the eradication campaigns, between 160 and 240 tons could have been harvested. However, since the Counternarcotics Police reported the destruction of 12,000 hectares, the net production fluctuated between 120 and 168 tons. The average price during the year was 400,000 pesos per kg, which represented between 48 and 67 billion pesos for the producing regions. Poppy production costs are divided thusly: between 25 and 30 percent for components, and between 45 and 50 percent for labor, security, "vaccinations," and land rent. The balance is a net profit for the producer, who kept over 30 percent.

There are currently 2,000 hectares planted with marijuana, which produced between 4,500 and 6,000 tons. Whereas, on the farm level, the price fluctuated between 8,500 and 15,000 pesos per kg, the industry raised between 38 and 90 billion pesos. The researchers could not calculate the magnitude of the profits, since this crop was reactivated recently. The truth about this entire issue is that the figures from the new study will evoke controversy as well. However, just as they refute the mythical sums in the multimillions, they also belie the minimized measurements accepted by other Colombian studies on the subject.

Coca Paste: Yields and Income on the Farm—Average in 1993 (in pesos)

Cultivation & Hectares	Conversion Factors		Marketed Production	Production Costs	Sales Value	Harvest Value	Net Profit
Range	Kg of Leaf		Kg of Paste				
35,000 hectares	3,750	131,250,000	231,074	350,000	600,000	138,644,336,197	57,768,485,915
38,000 hectares	3,750	142,500,000	250,880	350,000	600,000	150,528,169,014	62,720,070,423

Coca is estimated at three crops per year, unit of measure = kg of paste.

Poppy Latex: Yields and Income on the Farm—Average in 1993 (in pesos)

Cultivation & Hectares	Conversion Factors	Marketed Production	Production Costs	Sales Value	Harvest Value	Net Profit
Range						
16,000 hectares	12	192,000-72,000=120,000	282,000	400,000	48 billion	14.16 billion
20 hectares	12	240,000-72,0000=168,0000	282,000	400,000	67.2 billion	19.824 billion

Poppies are estimated at two crops per year, unit = kg of latex

Marijuana: Yields and Income on the Farm—Average in 1993 (in pesos)

Cultivation & Hectares	Conversion Factors		Production Costs	Sales Value	Harvest Value	Net Profit
Range						
6,000 hectares	750	4.5 million	No data	8,500	38.25 billion	No data
8,000 hectares	750	6 million	No data	15,000	90 billion	No data

Marijuana is estimated at two crops per year, unit = pressed kg

Colombian Cocaine in United States (US$)

Exported Production (kg)	Transport Value	Value Colombia + Transport	Sales Price on Terminal Market (kg)	Wholesale Value
153,562	337.836 million	875.303 million	12,000	1,842,744,000
170,067	374.148 million	1,139,449,500	15,000	5,551,005,000

Colombian Heroin in United States (US$)

Exported Production	Transport Value (kg)	Value Colombia + Transport	Sales Price on Terminal Market (kg)	Wholesale Value
17,173	56.67 million	274,772,508	35,000	601.055 million
24,000	79.2 million	445,612,214	45,000	1.08 billion

Colombian Marijuana in United States (US$)

Exported Production (kg)	Transport Value	Value Colombia + Transport	Sales Price on Terminal Market (kg)	Wholesale Value
4.5 million	No data	No data	600	2.7 billion
6 million	No data	No data	1,000	6 billion

Ecuador

U.S. Customs Tariff Threatens Rose Industry

PA2609164394 Quito Voz de los Andes in Spanish 1145 GMT 26 Sep 94

[From "the Voz Andes Newscast"]

[Text] The United States demands that Japan open its commercial borders but restricts Ecuadoran flower exports. Ecuadoran rose exporters are paying 49.76 percent in taxes and custom tariffs. The U.S. justification for this measure is that dumping [previous word in English] is being used in the rose trade. This measure is staggering to Ecuadoran rose exporters as that sector has already encountered serious problems abroad because U.S. merchants do not want to receive our roses.

Deputy: Tariffs Promote Coca Farming

PA2809024394 Madrid EFE in Spanish 1712 GMT 27 Sep 94

[Text] Quito, 27 Sep (EFE)—Carlos Vallejo, an Ecuadoran deputy and businessman, accused the United States today of promoting coca farming through the application of restrictions on the sale of Ecuadoran flowers on the U.S. market.

Vallejo, leader of the Popular Democracy Party (social democrat) and a flower grower, said the United States, paradoxically, is promoting the farming of the drug through its restrictions while investing large sums of money to combat narcotics production and trafficking.

"The United States proposes the substitution of other crops for coca, but this proposal is not possible considering the restrictions it is imposing," the deputy said.

"With this measure, the United States is forcing 120 producers, 300 technicians, and more than 25,000 Ecuadoran workers (from the plantations and flower exporting companies) to devote themselves to coca farming, " Vallejo reiterated in statements to Guayaquil's EXPRESO.

The antidumping [previous word in English] measures adopted during the past week by the U.S. Government, which taxes flower imports from Colombia and Ecuador, seek to bankrupt the Ecuadoran flower growing sector according to Vallejo.

"The U.S. objective is not to compete in the production of flowers but, rather, to bankrupt the sector, because U.S. flower growers lack the capability to compete with their Ecuadoran counterparts due to ecological conditions," Vallejo said.

Vallejo expressed regret that "the only option poor countries have to face these abuses is to plead that they are not treated so badly. Unfortunately, he added, the giant of the North has such a great hegemonic power that, if any poor country rebels, the United States invades it."

Minister Links Rumors to Destabilization Efforts

PA2709151594 Quito Voz de los Andes in Spanish 1145 GMT 27 Sep 94

[From "the Voz Andes Newscast"]

[Text] Ecuadoran Government Minister Marcelo Santos has said that the rumors of the alleged death of President Sixto Duran-Ballen are a sign that someone wants to destabilize the country. Santos said these rumors are indicative of a plot—an irresponsible effort to destabilize the country.

The minister added that what happened on Sunday is evidence of the media's clear irresponsibility and a lack of respect for the political sectors. It is a dangerous and irresponsible position in terms of the fate of the nation, Santos added.

As is public knowledge, a local radio station reported on Sunday that the president had died of a heart attack.

Paraguay

Government Officials, Police Tied to Corruption

PY2709172194 Asuncion NOTICIAS in Spanish 25 Sep 94 p 10

[Text] Interior Minister Carlos Podesta is mentioned at the head of a list that includes two other cabinet members and high-ranking National Police officers. They are charged with corruption in a final report issued by the Congressional Investigating Committee on Illegal Activities (CBII). Legislators conducted a quick but intense inquiry and found documents to prove the allegations and to shed light on the system used by the Migration Department to grant residence, citizenship, and passports to foreigners with doubtful backgrounds. A thick dossier containing the documents will be sent to acting Judge Arnulfo Arias and the prosecutor assigned to the task. CBII members speak of semi-conclusive evidence against the interior minister.

At this point legislators concluded their investigation.

Four legislators, three of them CBII members, thus ended the investigation to clarify the circumstances surrounding a conversation—recorded by NOTICIAS—where Police Migration Department Director Augusto Rotela offered $10,000 to a lawyer to curtail a request to investigate the granting of passports to foreigners in exchange for large sums of money.

The final report will be read during a full committee meeting tomorrow. The CBII points at Rotela as "the visible head" of a corruption ring and names Interior Minister Carlos Podesta as "one of the brains of this organization" that traded in letters of residence, citizenship, identity cards, and passports.

The legislators state that the Interior Ministry and the Police Identification and Migration Departments were headed by real criminals. The report points at former Migrations chief Raul Battilana Nigra as a repeated offender, for which he faced an inquiry and was fired last year.

"Everything pointed at Police Superintendent Rotela from the investigation's very beginning, but the responsibility of Minister Podesta gradually emerges as one of the brains," the report says, emphasizing the evidence against the interior minister.

"These presumptions are semi-conclusive evidence in any penal court and any common citizen involved, as Podesta is, would have already been sent to a jail at Tacumbu Prison," the report says.

The report also mentions "links between then foreign relations and interior under secretaries, Hugo Bernardino Saguier Caballero (current integration minister) and Hugo Estigarribia Elizeche (current defense minister), respectively."

The report continues: "Legislators found a note identified as SSRE [Foreign Relations Under Secretariat] 210 dated 18 October 1989 in the Migration Department archives. In the note Saguier Caballero asks Estigarribia to instruct airport officials to allow the entry" of six Lebanese citizens.

The CBII report says: "This document shows the state of corruption in previous administrations. Thus, any citizen, without restrictions in origin, profession, background, etc., only required the under secretary's approval to enter the country and work in any profession illegally. It is well known that the mentioned under secretaries are today Ministers of Integration and Defense."

Peru

Fujimori's Wife on Corruption in Government

PY2709143894 Lima LA REPUBLICA in Spanish 13 Sep 94 p 3

[News conference granted by Susana Higuchi, wife of President Alberto Fujimori; on 12 September at her residence on Wisconsin Street in Lima]

[Text] For the journalists it was the most interesting moment. Absolute silence prevailed as a journalist asked her to disclose the "very serious criminal records of attorney Vladimiro Montesinos, the main government adviser."

With documents at hand Mrs. Higuchi [President Alberto Fujimori's wife] read: "In July 1978, Colombian drug trafficker Evaristo Porras Ardila—who is linked to the Medellin Cartel and the murder of Colombian Justice Minister Rodrigo Lara Bonilla—escaped from a Lima prison."

Mrs. Higuchi continued: "The folder containing the evidence, testimony, and the signature of Porras' attorney Vladimiro Montesinos Torres was found to have been stolen from the 15th Penal Court when the court secretary was asked for it for consultation purposes."

She read on: "Thus, nobody can prove that Vladimiro Montesinos Torres was his attorney, Porras Ardila is at large, and his case file has disappeared."

Higuchi continued: "In March 1979, attorney Montesinos Torres, license 8,000, forged the birth certificate of a client, drug trafficker Jaime Arayco Cespedes, to make him appear under age and thus prevent him from being sent to prison or to a reformatory."

"The plot was finally uncovered," Mrs. Higuchi read, "as is established in Case No. 478-79. The drug trafficker spent six years in Lurigancho prison for trafficking."

"In November 1980 there was the case at the 17th Penal Court involving Vladimiro Montesinos Torres and Carmen Teresa Valdez Fonseca, who were charged with trafficking. Valdez Fonseca failed to appear to testify. She later said she did not do so because Vladimiro Montesinos had assured her he would fix everything."

Mrs. Higuchi continued in a firm and clear voice: "Maria Teresa Valdez was linked to the 'colochos' case, involving Colombian traffickers who bribed the Peruvian police to be able to escape. Those responsible for their escape a few years later were sentenced after being linked to Reynaldo Rodriguez Lopez, aka El Padrino."

She said in a clear voice: "Case No. 744-85 of the 9th Court contains statements by attorney Vladimiro Montesinos Torres before the National Police Narcotics Directorate, when he admitted that he was the attorney of Colombian citizen Jaime Tamayo Tamayo."

She continued: "He said he acted as (Tamayo's) collateral to rent a house on 490 Los Eucaliptos Street 'because he was a foreigner without any friends in Peru.' Montesinos made this statement after the 2.5 kg of cocaine was found."

"Tamayo is not available, but the attorney who acted as his collateral works at the National Intelligence Service [SIN], a national defense institution."

At this point another journalist asked Mrs. Higuchi if, in her opinion, the Peruvian state is involved in trafficking.

She answered briefly: "I do not know, but its main advisers are."

Another journalists asked: What is Vladimiro Montesinos' daily schedule. People say he does not work for the government, he is a mysterious individual.

Mrs. Higuchi said: "For a start I am not investigating him. Vladimiro Montesinos works at the SIN, and I presume he advises my husband on trafficking and other subjects."

One journalist then asked Mrs. Higuchi if, in her opinion, the government is organizing an electoral fraud to favor her husband's reelection.

She thought a while before answering. With a smile on her face she said: "I am not a fortune teller... but that is obvious." Laughter broke out in the small room where the gathering took place.

Another journalist bluntly said: "There are rumors that your husband has a lover and a child by her.

Mrs. Higuchi answered: "A lover and one child? Yes, but he has a lover and four children, not one." There was a stir in the room and someone ventured to ask: Are the four children theirs, or how many are hers?

With her broadest smile and with a great sense of humor she continued her joke: "Of course, they are called Keiko Sofia, Hiro Alberto, Sachi Marcela, and Kenji Gerardo." There was another roar of laughter in the hall.

Another journalists asked: Will you ask your husband not to seek reelection in view of the rarefied electoral climate?

She jokingly replied: "Personally, I do not think it (reelection) is correct but it is acceptable from the constitutional viewpoint. For the president the 1993 Constitution is valid, but for me the 1979 Constitution is valid. Which one is valid for you?"

Mrs. Higuchi then said she moved out of Government Palace yesterday and had officially informed the Monserrate police station of her change of address. She confirmed: "I live and work here."

Yesterday she sent the Congressional Investigative Commission a cassette containing the testimony of former Housing Minister Guillermo del Solar and a public document issued by Justice Deputy Minister Miriam Schenone, whom she accuses of having undervalued her apartment.

She also presented other documents endorsing her charges against Raul Vittor Alfaro, the former minister of the presidency and former head of the Constituent Congress.

She verbally leveled charges against Miguel Velit Nunez, vice president of the Investigative Commission, Minister of the Presidency Maria Luisa Federicci, and Justice Minister Fernando Vega Santa Gadea.

She presented documents related to her first charges involving donated clothes in which she said her sister-in-law was involved.

President Alberto Fujimori's wife went to Congress at 1730 amid great expectation by journalists who were awaiting her after she announced during the news conference in the morning that she would go to the Democratic Constituent Congress.

Government Maintains 'Contact' With SL's Guzman

PY2709172794 Lima EL COMERCIO in Spanish 12 Sep 94 p A5

[Text] Peruvian President Alberto Fujimori yesterday reported that the government "maintains contact" with Abimael Guzman, the top leader of the Shining Path [SL] terrorist group, who is serving a life sentence at the Callao naval base top security prison.

The Peruvian president explained that "contact" continues in an attempt to encourage terrorists to lay down their weapons.

He said: "This cannot be termed a transaction or negotiation. It seeks to pressure them to lay down their weapons because we believe the top command still has some power over its followers."

He stressed the psychological impact of the arrest of the top leader on SL followers.

He added: "They feel demoralized finding themselves without a guide. Added to this is the Repentance Law, which completely beheaded the SL. There are still a few armed groups in the Ene and Huallaga valleys."

Interviewed during a television program, Fujimori said military operations are carried out in those valleys to capture "in a given time, dead or live" Oscar Ramirez Durand, aka Comrade Feliciano. He took over the leadership of SL radical line which continues their criminal actions.

President Fujimori said this on the second anniversary of the arrest of Guzman, whom he calls the greatest criminal ever in Peru.

He said that his arrest allowed the success of the economic programs, the struggle against poverty, and the educational reform.

Coca Cultivation Reduced 15 Percent in One Year

PY2609232294 Madrid EFE in Spanish 2142 GMT 23 Sep 94

[Excerpts] Lima, 23 Sep (EFE)—Peruvian Foreign Minister Efrain Goldenberg said today that Peru reduced illegal coca cultivation by 15 percent during the past year, and would continue to enforce the strict law against poppy growing.

Goldenberg said that this "achievement" had been recognized by a U.S. delegation of narcotic agents headed by Crescencio Arcos, deputy assistant secretary for international narcotics matters, which visited Peru this week.

Goldenberg also said that the decision by the U.S. Congress to reestablish the radar service for air interdiction which was suddenly suspended last May was confirmed during the talks with the U.S. delegation.

He added: "We noted the U.S. Government's satisfaction with basic aspects of Peruvian drug enforcement policy, such as the reduction in coca cultivation by 15 percent in one year, the harsh legislation against poppy growing, and the will to punish corruption, among other things." [passage omitted]

Goldenberg also reported that the Peruvian Government had approved on 22 September a National Plan for the Prevention and Control of Drug Abuse, which will be promulgated in the next few days.

The plan "covers the entire drug problem" and includes proposals for attacking the problem "through interdiction and alternative development."

Energy Minister Views Petro-Peru Privatization

PY2409014594 Lima EL COMERCIO in Spanish 2 Sep 94 p PE1

[Text] Daniel Hokama, mines and energy minister and president of the Commission for Promotion of Private Investment (Copri), yesterday confirmed the plan that will govern the privatization of Petro-Peru [State Petroleum Agency]. He pointed out that the observations that had been made against the plan were politically motivated.

Hokama made a clear bid in favor of the company's privatization, saying that if the process stops the state company would survive only another six years, as it does not have the resources to conduct the exploration needed to continue covering demand.

The project to sell Petro-Peru was first proposed in 1992. The current privatization plan will permit the individual sale of company components, for instance La Pampilla, Talara, or the Iquitos refineries, and the concession of the oil pipeline for 10 years.

During an evaluation of the privatization process made during the first half of the year before the Congress Budget Committee, Hokama said that the purpose of the privatization of Petro-Peru is to guarantee the domestic supply of oil and oil by-products.

Hokama said that we are implementing a model "where 60 percent of the company will be handled by private entrepreneurs and 40 percent by the state, which makes it evident that the government will have an important presence in the company's administration."

Hokama elaborated on Petro-Peru's financial situation, saying that the company needs $2 billion for exploration and the drilling of new wells. The minister added that we are seeking a partner capable of investing and financing those resources.

The minister said that in the next 10 years we will need 500 million barrels of oil, or an average of 50 million per year. Hokama recalled that currently 25 percent of the crude oil we consume is imported, adding that we are seeking the self-sufficiency we lost in 1988.

Hokama was accompanied by Copri Executive Director Carlos Montoya. He rejected the theory that Petro-Peru is a profitable company and must not be sold.

He said the profitability of a company is measured by its capacity to continue operating.

The minister said our real reserves stand at 380 million barrels of oil. This means that in 25 years our reserves increased from 300 million to 380 million despite the fact that in 1980 our reserves exceeded 800 million.

Hokama said at present we owe more than $200 million for the oil pipeline, the expropriation of Belco, and the expropriation of the Oriental Oil Company, all the result of state ownership adventures.

Hokama ruled out the possibility that the sale of Petro-Peru in parts could be a problem in establishing fuel costs. Hokama recalled that oil has an international price: "Peruvian laws in the area of hydrocarbons say that prices depend on the rule of supply and demand."

Asked about first semester sales, Hokama said that the company had billed for $2.662 billion through 22 August.

The energy minister said that before the end of the year the government wants to privatize Electrolima [Lima Electricity Company], Cementos Pacasmayo, and the Talara, Pampilla, and Tintaya refineries. Other smaller companies on the list are the Salt Company and the first fishing companies.

Hokama said the government expects to collect $6 billion with the privatization of the group of companies included in the process, which is scheduled to end in mid-1995.

Andean Corporation To Finance Thermoelectric Plants

PY2309201494 Madrid EFE in Spanish 0308 GMT 21 Sep 94

[Text] Lima, 20 Sep (EFE)—Peruvian Energy and Mines Minister Daniel Hokama reported on 20 September that the Andean Development Corporation (CAF) has agreed to finance two thermoelectric plants in the towns of Tumbes and Tacna, in the northern and southern parts of the country, respectively.

The minister said the financial support by CAF will amount to $10 million. The Tacna the plant will have a capacity of 20,000 kwh.

He said energy needs in Tacna will be fulfilled by the new plant. In Tumbes, it will meet 80 percent of demand.

Uruguay

Labor Federation Recalls ETA Related Incidents

PY2709173094 Buenos Aires TELAM in Spanish 2044 GMT 26 Sep 94

[Excerpts] Montevideo, 26 Sep (TELAM-SNI)—The PIT-CNT [Inter-Union Workers Plenum - National Convention of Workers] today justified its participation in the violent incidents that surrounded the extradition of three presumed ETA [Basque Fatherland and Freedom] militants to Spain a month ago and accused the government of repressing the demonstration for electoral purposes.

The PIT-CNT comprises communists, socialists, and Tupamaros. It closed its internal evaluation of the 24 August events which ended with two dead and over 100 injured.

The PIT-CNT unanimously approved a declaration ratifying "the legality and appropriateness" of the demonstrations, stressing that "the repressive operation had a clear electoral purpose."

On 24 August, following local court orders, presumed ETA members Luis Maria Lizarralde, Jesus Goitia, and Mikel Ibanez, who were arrested in Montevideo in May 1992, were extradited to Spain. [passage omitted]

The government and the left have been exchanging accusations ever since. The police repression and the PIT-CNT and Broad Front participation in the events, meanwhile, have become a central issue of the Uruguayan electoral campaign. [passage omitted]

In the declaration released today the PIT-CNT again "demanded" the resignation of Interior Minister Angel Maria Gianola, adding that the federation never questioned the court order because the right to asylum is not a judicial branch matter, it is the exclusive prerogative of the president of the Republic.

The PIT-CNT justified its participation in the 24 August events, which occurred 60 days before the 27 November general election, at a time the leftist coalition Broad Front and the labor federation are losing support in the polls.

The latest survey shows the Broad Front and its presidential candidate—former Montevideo Mayor Tabare Vazquez—is in third place and nearly three points behind the ruling National Party.

The National Party is in second place, three points behind the Colorado Party—whose candidate, former President Julio Maria Sanguinetti, has the greatest chance of becoming president.

Blanco Party Becoming More Popular in Polls

PY2709172494

[Editorial Report] Montevideo BUSQUEDA in Spanish on 22 September publishes, on page 72, a 700-word article on the results of a public opinion poll conducted by Vox Opinion y Mercado Company on behalf of BUSQUEDA. It goes under the heading "Vox National Survey: Blanco Party's Popularity Increases, Outstripping the Progressive Encounter and Closing on the Colorado Party."

Vox conducted a nationwide poll of 1,345 people between 15 and 18 September. The results show that the Blanco Party has increased its popularity in the interior of the country, where approximately 55 percent of all voters live, and in Montevideo. In the interior, "the Blanco Party is for the first time ahead of the Colorado Party."

The survey found that 27.8 percent of those polled would vote for the Colorado Party, 25.4 percent for the Blanco Party, 23 percent for the Progressive Encounter, 2.4 percent for the New Sector Coalition, and 1.7 percent for the Green Party. Some 16.9 percent was still undecided or declined to answer.

The article states that the Progressive Encounter continues to lead in the city of Montevideo with 32.9 percent.

Regarding the choice of president, the article notes that Julio Maria Sanguinetti, the leader of the Batlleist Forum faction within the Colorado Party is overwhelmingly ahead of his other Colorado Party rivals with a 76.7 percent, followed by Jorge Pacheco Areco with the 8.9 percent and Jorge Batlle with 8.1 percent. Nearly half of those who will vote for the Blanco Party—48.9 percent—endorsed Alberto Volonte's presidential candidacy against 25.3 percent for Senator Juan Andres Ramirez. Concerning the other Blanco Party presidential candidates, Senator Carlos Julio Pereyra polled only 8 percent while Vice-President Gonzalo Aguirre obtained 4.4 percent.

Venezuela

Foreign Minister Cited on Institutionality

PA2709194494 Caracas EL GLOBO in Spanish 24 Sep 94 p 2

[Unattributed report: "Perezism Does Not Undermine the Foreign Service; Petit Will Have To Prove His Charges"—passages in boldface as published]

[Text] According to Foreign Affairs Minister Miguel Angel Burelli Rivas, the Foreign Affairs Ministry has offered to cooperate with the attorney general in defending Venezuelan institutionality, in light of the accusations made by former President Carlos Andres Perez before the Inter-American Human Rights Commission.

The former president declared before that organization that the state public branches have violated his rights in his trial. He is accused of misappropriating secret funds. Burelli Rivas answered the charges made by Attorney General Jesus Petit Acosta that the Venezuelan foreign service, specifically our mission to the OAS, is infiltrated by remnants of Perezism [Perecismo].

Whoever made that report, the foreign minister asserted, will have to prove what he is saying.

The high-ranking official denied that the accusations by Petit may prompt changes in our diplomatic mission.

All foreign service officials are trustworthy, unless proven otherwise. They are career officials and not accomplices, allies, or subordinates of anybody. They are serving their country.

Are the statements by the attorney general reliable?

Of course. Isn't he the attorney general of the republic? I think he did not say that. If he has any complaints, he must state them. In any government, complaints are made to the government.

Burelli Rivas denied there may be a confrontation over this issue between the attorney general and himself. "We are close friends," he remarked.

The attorney general stated that Reynaldo Figueredo is acting as a roving foreign minister.

He is a former foreign minister and is on trial.

Has the foreign service in the country been undermined?

No, sir; no, sir. That is what I am here for. Can you imagine that they think I am pro-Perez, when I was among the first to ask for Perez's resignation?

Justice Minister Comments on Judiciary Reform

PA2509035194 Caracas EL GLOBO in Spanish 23 Sep 94 p 4

[Report by Luisa Alejandra Garcia]

[Text] Justice Minister Ruben Creixems has admitted that he has been under a lot of pressure in his position and that the degree of autonomy of the Venezuelan judiciary is a priority problem that must be dealt with in the framework of any reforms to be carried out in the sector. The minister made the remarks during a forum yesterday to discuss the fundamental aspects of the judiciary reform promoted by Credice and the Thought and Action Foundation.

Creixems said the judiciary's budget is below the international standards. He said: The judiciary must be provided with funds. According to United Nations member countries, a country should appropriate no less than three percent of its budget for the administration of justice and no less than 10 percent for security. The Venezuelan Justice Ministry receives 0.7 percent of the national budget and the judiciary 0.5 percent. Together, the two institutions receive just 1.2 percent. This is well below the international standard.

Another problem that the Venezuelan administration of justice must deal with is the pressure applied on it. He added: The judiciary is being pressured by political parties. This is a known fact. We will remain stagnated until financial and political leaders understand that such pressures deteriorate the administration of justice and the economy. It is necessary to ensure the judiciary's autonomy and enforce its decisions.

[Garcia] Do you feel you have been pressured as justice minister?

[Creixems] I have felt pressured many times. I believe there is a limit to human resistance, but this is not the type of resistance I am concerned about. I am concerned about the willful resistance to change.

Adolfo Taylhardat, the Conapri (investment promotions) representative, said that, according to a study conducted by THE ECONOMIC FORUM, Venezuela was rated last with regard to reliability for investments. One of the main reasons for this situation is that Venezuela's competitiveness is offset by the weak juridical protection offered to investors in Venezuela. He said: The study is based on an opinion poll that included 41 American, Asian, and European countries. The findings resulted from opinion polls conducted with businessmen and people familiar with the subject. The message is clear. Venezuela is regarded as a country with serious administration of justice and juridical security problems, a situation that affects the country's competitiveness and capability to attract investors.

According to Eduardo Fernandez, COPEI [Social Christian Party] secretary general and president of the Thought and Action Foundation, although the Venezuelan administration of justice is not the best, it is on the right track toward improvement. He said: The administration of justice in Venezuela is slow and expensive. Plenty of money is necessary to litigate in court. In addition, our administration of justice is suspect of partiality for political and party or commercial reasons.

Pedro Miguel Reyes, who presided over the Judiciary Council until yesterday, said 93 percent of the Venezuelan people are dissatisfied with the country's judiciary system. He said: The various community sectors should be incorporated into the judiciary's reforms because a unilateral proposal by those in power will not yield the desired results. The community must present its concerns, and the conditions are ripe for it. To a certain extent, the Venezuelan people reject their judiciary. People are dissatisfied with their own judiciary throughout the world, but this rejection has reached 93 percent in Venezuela. Regarding appreciation of the judiciary, we rank last in the world.

COPEI Requests Probe of Efforts To Arrest Bank Fugitives

PA2609004594 Caracas Union Radio Network in Spanish 2200 GMT 22 Sep 94

[From the "Union Radio News" newscast]

[Text] COPEI [Social Christian Party] Deputy Secretary Orlando Contreras Pulido has said the country's authorities have been derelict in capturing those accused of defrauding banks.

Contreras Pulido explained that none of the accused has been sought, although their guarantee to circulate freely was suspended, according to the executive branch, to expedite the work by the state's security corps in arresting them. In view of this situation, the COPEI bloc at the National Congress will ask the Deputies' Domestic Policy Commission to begin an investigation on the matter.

[Begin Contreras recording] To summon the Interior and Justice Ministers and the Disip [Directorate of Intelligence and Prevention Services] and PTJ [Judicial Technical Police] directors to explain to the Congress and the country what has been done to capture these fugitives, who are not unknown, since everybody knows who they are, and, it seems, they have escaped from under the government's nose. [end recording]

Contreras Pulido also reported a Domestic Policy Subcomission was created, chaired by Deputy Luis Risquet, to investigate the departure of former president Jaime Lusinchi from the country, even though he was banned from leaving. In this respect, Risquet stated that, according to reports by Lusinchi's relatives, the former president could return to the country soon.

Health Workers End Strike Following Agreement

PA2709161994 Caracas Union Radio Network in Spanish 2200 GMT 26 Sep 94

[Report by Maria Acorte from the "Union Radio News" newscast]

[Text] The Health Ministry, Venezuelan Institute of Social Security, [words indistinct] and University Hospital have promised to pay the debts owed to workers as established by collective bargaining agreements, presidential decrees, and legislation. Following this pledge, the Health Workers Federation ordered its members to return to work and restore services at health centers across the nation. According to the document signed, the Health Ministry may not dismiss, transfer, or demote any worker, and it also is prohibited from taking any punitive action against workers who joined the strike.

The Labor Ministry, as the mediating body, will review all of the causes of the dispute to find a final solutions to problems in the sector. It is worth noting that the signed agreement established the creation of a commission to draft a payment timetable. Along with representatives from among health workers and the appropriate authorities, the labor minister will be a member of this commission. His job is to provide his best efforts to ensure that the adverse effects of implementing the Labor Law are reduced to a minimum.

Chavez Discusses Supporters, Corrales Plan

PA2709225794

[Editorial Report] Caracas EL UNIVERSAL in Spanish on 25 September on pages 1-16 and 1-17 carries a 12,000 word interview with Lieutenant Colonel Hugo Chavez, leader of the 200 Revolutionary Bolivarian Movement (MBR-200), by Carlos Croes in Los Teques.

Croes asks Chavez to explain what he is seeking, and Chavez replies that he wants to transform the country, because, in his opinion, "revolution, which does not have to be communist or violent," is the "only solution." He suggests that a way to achieve this goal is to call a national constituent assembly, although the political cliques should not be involved "to leave the door open to all of Venezuela's political and social segments." Responding to a question on whether President Rafael Caldera's "moral authority" has weakened his movement, Chavez affirms that "nobody is going to weaken it, neither God, nor the devil; it is unstoppable." After discussing the 4 February 1992 coup attempt and subsquent ones, Croes asks Chavez: "You are proposing a model that differs totally from world trends for the progress and development of countries, without the IMF or World Bank. In order for Venezuela to be immersed in the complex system of the world economy it has to adapt itself to certain measures, which you do not support, that is, a gasoline increase, privatization, and a series of policies the centers of world power are demanding. Now, how do you face those centers of world power, something not even Russia with all its resources could not do?" Chavez replies: We have to defend our sovereignty even if they try to bring us to our knees, something they will try to do. Now, you said that this model imposed by the centers of world power is the model for development. That is how I understood you; it is the model for their development. If you turn your head to the Third World, it is the development model of all our countries, which are headed toward an Africanization." In reply to the next question, Chavez explains that a university studies center paid for his trip to Colombia, and he still owes his air tickets to Panama. Then, Croes asks him: "Who are your immediate followers? Who do you count on?" Chavez answers: "On military and civilians. We meet regularly. The military are Army Commander Miguel Madrid Bustamante and Frigate Captain Carlos Reyes Rodriguez. They belong to the Bolivarian Movement. They are meeting regularly and are also scattered in the country. Captain Graterol Santos in Churuguara holds the people by the reins, the entire mountain range. There are Mayor Edgar Lugo Lopez in Guarico, Commander Salmeron here in Los Teques, and Mayor Carlos Salima is in Portuguesa. We have people from all the National Guard forces. That is the MBR-200. We meet regularly around this program."

Croes wants Chavez to discuss who his immediate followers are, and Chavez replies: "The patriotic front, for instance, is closer to us in what we call the Broad Front for a Constituent Assemby, and generally, we hold meetings with Manuel Quijada, Hernan Gruber Odreman, who belongs to the Constituent Assembly Front, Admiral Aroldo Rodriguez, Luis Miquilena, who is from your town and is a man who has fought this whole century to improve the conditions of workers, 'Negro' Pamis, an architect and university professor of the Patriotic Society, Gustavo Lemoine, who heads the strategic communications, where friends of ours who are newsmen analyze the problems of the movement, and the news media; in sum, there are thousands. There is also Nora Bastidas, a university professor who accompanied us to Panama. We have exchanges with the University of Panama." On the topic of Chavez' contacts with President Caldera, Croes asks if he has gone to the Miraflores Palace. Chavez responds that he has talked to Caldera "from the street. He never wanted to see me." Prodded by Croes, Chavez adds: "I went to the palace to talk to someone and left a message there for President Caldera. As for talking with Caldera, if he calls me I am ready to go, but he does not want to listen to me." They discuss at length the economic hardships the former servicemen who participated in the 4 February coup attempt are having because they lost their military benefits and cannot find jobs. Croes then asks Chavez if at this point he feels frustrated, pressured by a friend, or disappointed. By way of response, Chaves rejects a statement by former defense minister Fernando Ochoa Antich that the officers who participated in the coup were traitors.

Getting back to the topic of the MBR-200, Croes wants to know what role the Church is playing or has played in the movement. "We followed closely the remarks by the top church leaders, especially Monsignor Mario Moronta. It was a point of reference, and although he did not answer us, we had planned to call a group of Venezuelans to form a government. It was not a military dictatorship. One of the persons to be called was Mario Moronta. Whether he would have accepted or not, well, that was up to him," Chavez replies.

Later on, Croes asks Chavez to comment on the plan by Werner Corrales, minister of the central office of coordination and planning. In his response, Chavez states that it resembles the plan by former President Carlos Andres Perez. "In other words, it is the same model with some touches on the social aspect. But it is the same model nonetheless with a greater tax burden for a people who cannot bear it any more." He criticizes it because it raises the price of gasoline in the midst of a situation "as explosive as this one," and serves to "finance corruption." He is critical of the sale of FOGADE (Deposit Guarantee and Banking Protection Fund) bonds in dollars, to pay for the debts of FOGADE and the Central Bank of Venezuela, which stemmed from "financial fraud," because the government will have to spend the next 10 years earmarking 6 percent of its oil revenues to these bonds.

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